

Louis M. Thayer, Jr. Walter S. Bakutis
Evor S. Kerr Jr. Edgar V. Carlson
To be commanders, to rank from March 1, 1944

Clayton M. Opp Adrian F. Werner
Loren E. Brunner Woodrow W. Vennel
Charles E. Columbus Gilbert F. Schumacher
William L. Sutter Charles Tighe
Gilbert R. Evans Richard Baxter
Wallace L. Hancock, Jr.

To be lieutenant commanders, to rank from December 1, 1943

Carlton V. Legg William K. Kehoe
George E. Alston Cecil C. Humphreys
Virgil L. McLean Robert L. Blanchett
George M. Gallagher Carl E. Roberts
Henry M. Anthony Harry F. Bradley
Cloyd C. Lantz James E. Rivard
Henry E. Solomon William E. Lowe
Herbert L. Scales George D. Batey

To be lieutenant commanders, to rank from April 1, 1944

Robert E. Reed-Hill Paul E. Burhorst
(P) Edwin C. Crosby
Joseph J. McClelland Ira H. McMullan
Raymond G. Miller William C. Foster
John P. Latimer Holmes F. Crouch
James A. Martin Kenneth H. Potts
Robert E. Hammond James W. Paine
Clyde R. Burton James A. Cornish
Ottis T. Estes, Jr. William K. Earle
James F. Bills

To be lieutenant commander, to rank from August 1, 1944

Edward H. Houghtaling

To be lieutenant commanders to rank from July 20, 1945

William D. Strauch, Jr. James M. McLaughlin
Robert F. Barber Whitney M. Prall, Jr.
Herschel E. Sanders Henry F. Rohrkemper
Russell A. Serenberg Charles F. Scharfen-
Benjamin M. Chiswell, Jr. stein, Jr.
Jr. Robert S. McLendon
Helmer S. Pearson John C. Saussy
Chester A. Richmond, Joe L. Horne
Jr.

To be lieutenants, to rank from October 5, 1945

Lynn L. Baker John Dalin
Thomas F. McKenna Ludlow S. Baker
Glenn J. Shannon Frank D. Hilditch
Ernest A. Bigelow Arthur M. Watson
Sidney K. Broussard Arthur H. Sheppard
Louis J. Glatz Frank W. Dunford

To be lieutenants, to rank from October 7, 1945

Donald A. Brown Charles E. MacDowell
Charles H. Freymuel-Elmer P. Mathison
ler Warren C. Mitchell
Raymond W. Siegel Henry A. Campbell, Jr.
Harry A. Solberg Armand J. Bush
Robert O. Bracken Lester A. Levine
John W. Hume John J. O'Meara
John S. MacCormack Glenn O. Thompson
Herbert Krause Arthur F. Heffelfinger
Theodore J. Kozanecki Eugene F. Walsh
Errol H. Seegers Andrew J. Cupples
Forrest H. Willoughby John A. Weber
Robert D. Burkheimer Lloyd E. Franke
Jack E. Forrester Samuel E. Taylor
Lewis R. Davison Richard C. Wilkie
John H. Hawley George A. Philbrick
Carol L. Mason George J. Bodie
George H. Waddell Henry W. Stinson, Jr.
Robert M. Becker Earl E. Broussard
Franklin A. Colburn Cletis L. Caribo
Robert S. Wilson John F. Fitzgerald

To be lieutenants, to rank from the effective date of appointment

Peter E. Gibney Joseph R. Steele
Lewis R. LaValley LeWayne N. Felts
Leonard M. Dalton Edward M. F. Kirchner
James P. Van Etten

Mitchell A. Perry Robert J. LoForte
Garth H. Read Owen W. Siler
William E. Dennis
To be lieutenants (junior grade), to rank from January 1, 1947

David R. Rondestvedt
Oliver W. Harrison

To be lieutenants (junior grade), to rank from September 15, 1948

Robert D. Parkhurst Rudolph E. Lenczyk
Otto F. Unsinn William L. Faulken-
James E. Heywood berry
Henry V. Harman Donald C. Davis
Walter O. Henry John H. Bruce
Verne D. Finks James H. MacDonald
William L. Aitkenhead Donald R. Vaughn
Charles F. Baker Frederick S. Kelsey
James P. Stewart Robert S. Gershkoff
James H. Swint William C. Pinder, Jr.
Shirl J. Stephany Thomas W. Powers
George F. Rodgers James A. Gary III
Leslie D. High Douglas C. Ryan
George H. P. Bursley Archibald B. How
Frank E. Parker John L. Wright
Milton R. Neuman John B. Saunders, Jr.
Arthur W. Rouzie Herbert H. Sharpe, Jr.
Leland C. Batdorf Michael B. Lemly
David Jenkins Glenn M. Loboudger
William F. Tighe, Jr. Robert A. Patrick
Bruce C. Johnson John E. Murray
Richard B. Humbert William R. Chandler
Roy K. Angell Vincent A. Bogucki
Robert C. Krullish Charles I. Foss III
William J. Kirkley James P. Hynes
Edward E. Chambers Robert A. Lee
Robert W. Johnson Jay H. Bramson
Charles S. Marple John W. Steffey
Roger G. Devan Lloyd W. Goddu, Jr.
Wilfred F. Raes Donald J. McCann
Albert H. Clough Edward D. Cassidy
Walter B. Murfin John B. Hayes
Randolph Ross, Jr. Robert L. Davis, Jr.
Lawrence Davis, Jr. Richard B. Bowden,
Robert W. Smith Jr.
Alfred F. McKenney, Jr.
David E. Perkins Glenn R. Taylor
Robertson P. Dins- Ian E. Holland
more Walter F. Guy
John H. K. Miner Dudley C. Goodwin,
James W. Bolding, Jr. Jr.
Alfred J. Tatman Warren S. Petterson
George T. Sain, Jr. Harold E. DeLong
Malcolm E. Clark William C. Wallace
Richard M. Under- Henry G. Cassel
wood, Jr. Harley B. Shank
Charles M. Mayes Raymond M. Miller
Dan Rayacich Hardy M. Willis
William M. Page, Jr. Fred E. Wilson
Thomas C. Thompson Clarence G. Porter
Arthur N. Garden, Jr. Leroy Flatt
David P. Bates, Jr. Charles R. Howell
Robert E. Bracken

To be lieutenants (junior grade)

James E. Fleming
Edward J. Johnson
Carleton W. Wahl

IN THE ARMY

Maj. Gen. Harold Roe Bull, O3707, United States Army, for appointment as commandant, National War College, with the rank of lieutenant general, under the provisions of section 504 of the Officer Personnel Act of 1947.

IN THE NAVY

All nominations for appointment in the Navy, which were this day confirmed, were received by the Senate on June 15, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," and on the pages indicated with each of the three following groups of nominations for appointment in the Navy:

The nominations of Donald L. Abbott and 3,369 others, which begin with the name of Donald L. Abbott, appearing on page 7722,

and ending with the name of Ruth M. Scanlon, which appears on page 7728;

The nominations of James H. Ackiss and 1,554 others, which begin with the name of James H. Ackiss, appearing on page 7728, and ending with the name of Henry W. McGuire, which appears on page 7731; and

The nominations of Leif O. Torkelson and 105 others, which begin with the name of Leif O. Torkelson, appearing on page 7731, and ending with the name of William Williamson, which appears on page 7732.

WITHDRAWAL

Executive nomination withdrawn from the Senate June 23 (legislative day of June 2), 1949:

POSTMASTER

Leland C. Gove, Mosler, Oreg.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 23, 1949

The House met at 11 o'clock a. m. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord and Master, Thou who hast glorified all that is of earth and sea and sky, to Thee we offer our tribute of praise. On Thee we base our comfort and our hope, and rejoice that our faith is not in vain.

In the discipline of life, which is so often severe, give us strength to be patient and tolerant, comforted in the truth that we are guarded and sheltered in the folds of divine care. Thou who weighest the motives of men, make every weakness a strength and every hindrance an inspiration. Clothe us with that high integrity of purpose that shall be a spiritual reserve sufficient to bear all strain, and that shall give patriotic incentive to our fellow citizens everywhere. In Thy holy name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 20, 1949:

H. R. 2361. An act to provide for the reorganization of Government agencies, and for other purposes; and

H. R. 2663. An act to provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes.

On June 21, 1949:

H. R. 1337. An act to authorize the sale of certain public lands in Alaska to the Alaska Council of Boy Scouts of America for recreation and other public purposes; and

H. R. 3754. An act providing for the temporary deferment in certain unavoidable contingencies of annual assessment work on mining claims held by location in the United States, and enlarging the liability for damages caused to stock raising and other home-steads by mining activities.

On June 22, 1949:

H. R. 5060. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1950, and for other purposes.

On June 23, 1949:

H. R. 4046. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MCGREGOR asked and was given permission to extend his remarks in the RECORD in two instances and include articles written by one of his constituents and a newspaper editorial.

REFUND ON VETERANS' INSURANCE

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, every day the newspapers and radio carry reports of increasing unemployment. Every Member of Congress knows that there are millions of people without jobs today.

The unemployment situation is seriously affecting the Nation's economic condition. The Government, through the Veterans' Administration, is in a position to do something about this situation. The Veterans' Administration has \$2,800,000,000 which belongs to some 16,000,000 veterans of the last war.

The immediate distribution of this great sum of money to the veterans certainly would have some effect on the economic picture and would be a factor in stemming the tide.

Numbered among the 16,000,000 veterans who were overcharged in their insurance rates by the Government are thousands who are now out of work. They could readily use the money which is rightfully theirs. But the Veterans' Administration says refunding of their money will not begin until January of next year. They say it is a big job to mail out these checks. Sure it is a big job, but the Veterans' Administration knew as long ago as June 1948 that these refunds would have to be made. Why the wait until 1950, which happens to be a congressional election year?

The veterans should receive their refunds as soon as possible, certainly by October of this year.

Three billions of dollars unloosed for spending by those who are rightfully and legally entitled to it not only would help the jobless veteran of today but would help the manufacturer, the producer, and their employees.

Give the veterans back their overcharge on insurance now and not wait for an election year.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances; in one to include a newspaper article.

Mr. BUCHANAN asked and was given permission to extend the remarks he will make in Committee of the Whole and include a statement from the mayors of various cities and a petition from the American Municipal Association.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include an editorial published in the Buffalo Evening News of June 13.

ARMING EUROPE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

Mr. RICH. Mr. Speaker, picking up the New York Times and other papers this morning, I note that Secretary Acheson wants this country now, in order to preserve peace, to spend \$1,130,000,000 to arm all of the countries of Europe that join the North Atlantic Pact.

I do not know of anything more ridiculous than to think that in order to get peace now we have to go out and arm all the nations of the world with the idea that we are going to teach them something about peace. Whenever you get a man ready to fight he generally fights. When you get a nation armed to the teeth, it is going to use that, and that means war. If that is the way to peace, then I do not know anything about it.

I am sorry that this country is going to be asked by our Secretary of State to spend \$1,130,000,000 to arm these foreign countries. It just seems to me like there is something wrong in our State Department.

Why get all the implements of war, furnish them to other countries and then say to them they are implements—guns, tanks, bombs—of peace. Why, they will say that is just silly, why, the Americans say that a cannon is an implement of peace, then they will ask that psychiatrists be sent over to America to examine everyone who votes to spend \$1,130,000,000 for war implements for them. I think they would be right. We need peace, we want peace, let's talk peace, let's use our influence for peace; that is the only way to get it and keep it. Peace be with us always, is my vote and my prayer.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

REPAYMENT OF EXCESS PREMIUMS ON NATIONAL SERVICE LIFE INSURANCE

Mr. BOGGS of Delaware. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Delaware [Mr. Boggs]?

There was no objection.

Mr. BOGGS of Delaware. Mr. Speaker, many of my friends and distinguished colleagues, the gentleman from New York [Mr. KEATING], the gentleman from Wisconsin [Mr. DAVIS], along with many

other able Members of this House are certainly working for the prompt repayment of the excess premiums paid on national service life insurance by our veterans.

I want to urge the prompt repayment of these excess premiums, and I want to join with the other members who are working so hard to return to the veterans something which is theirs and which they have every right to have at this time.

We hear a great deal about this recession and the fact that it will be only of short duration. If this is so, then it is all the more appropriate that these repayments should be made without delay. I have looked over the situation and I cannot find any plausible explanation for this continuing delay after delay.

The SPEAKER. The time of the gentleman from Delaware [Mr. Boggs] has expired.

SUBCOMMITTEE ON HEALTH SCIENCE AND COMMERCE OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health, Science, and Commerce of the Committee on Interstate and Foreign Commerce may be allowed to sit this afternoon during general debate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

REPAYMENT OF EXCESS PREMIUMS ON NATIONAL SERVICE LIFE INSURANCE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. RANKIN. Mr. Speaker, again we have heard the gentleman from New York [Mr. KEATING] attacking the Veterans' Administration for doing its duty.

I explained yesterday what the Assistant Administrator told us about it. If the gentleman from New York [Mr. KEATING] can do this work overnight, I suggest that he take his office force and go down to the Veterans' Administration and do it.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. RICH. If the gentleman from New York [Mr. KEATING] takes his office force and I take mine and we go down there we could do something and get those checks out.

Mr. RANKIN. Yes; and you will be there till Christmas. They have employed 1,700 extra people to work out these accounts. They will need 1,300 more. They are going to get them out by the first of the year, but to get up here and pretend that this is a political question is nonsense. Nobody ever heard of its being a political question until the gentleman from New York [Mr. KEATING] announced that it was a political question.

How much politics has he played?

The SPEAKER. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

CALL OF THE HOUSE

Mr. MCGREGOR. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is no quorum present.

Mr. CHELF. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 112]

Allen, Calif.	Hart	Polk
Breen	Hinshaw	Poulson
Buckley, N. Y.	Hoffman, Ill.	Powell
Bulwinkle	Hoffman, Mich.	Rivers
Case, S. Dak.	Hollifield	Roosevelt
Cavalcante	Irving	Scott
Clevenger	Jackson, Calif.	Hugh D., Jr.
Cole, N. Y.	Kearney	Shafer
Combs	Kee	Short
Crawford	Larcade	Taber
Crosser	Lichtenwalter	Thomas, N. J.
Cunningham	Lodge	Towe
Doyle	McMillen, Ill.	Walsh
Durham	Macy	Whitaker
Elston	Miller, Nebr.	White, Idaho
Gilmer	Morrison	Withrow
Granger	Murphy	
Hall	Passman	
Edwin Arthur Pfeifer		
Hall	Joseph L.	
Leonard W.	Plumley	

The SPEAKER. On this roll call, 376 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

THIRD DEFICIENCY APPROPRIATION BILL

Mr. KERR, from the Committee on Appropriations, reported the bill (H. R. 5360, Rept. No. 879), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes, which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the State of the Union and ordered printed.

Mr. WIGGLESWORTH reserved all points of order on the bill.

REORGANIZATION OF CERTAIN AGENCIES OF THE GOVERNMENT

Mr. DAWSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, with Senate amendments, disagree to the amendments of the Senate, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: MESSRS. DAWSON, HOLLIFIELD, BURNSIDE, RIEHLMAN, and HARVEY.

TREASURY-POST OFFICE APPROPRIATION BILL, 1950

Mr. GARY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3083) making appropriations for the Treasury and Post Office

Departments and funds available for Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, with Senate amendments, further disagree to the amendments of the Senate and agree to a further conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: MESSRS. GARY, FERNANDEZ, PASSMAN, CANNON, CANFIELD, and COUDERT.

LEE F. BERTUCCIOLI

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 750) for the relief of Lee F. Bertuccioli, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the provisions of the first category of section 3 of the Immigration Act of 1917, as amended, shall not hereafter be applicable to Lee F. Bertuccioli, Farnborough, Kent, England, who served in the armed forces of the United States in World War II under the name of Lee F. Johnson, and who, because of a physical disability arising out of such service, is unable to obtain an immigration visa for admission into the United States."

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CELESTE IRIS MAEDA

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3458) for the relief of Celeste Iris Maeda, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Celeste Iris Maeda, the Japanese fiancée of Stanley Arasim, Jr., an honorably discharged veteran of World War II, and that Celeste Iris Maeda may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Celeste Iris Maeda is coming to the United States with a bona fide intention of being married to said Stanley Arasim, Jr., and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Celeste Iris Maeda, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Celeste Iris Maeda, the Attorney General is authorized and di-

rected to record the lawful admission for permanent residence of said Celeste Iris Maeda, as of the date of her entry into the United States, upon the payment by her of the required fees and head tax."

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SADAE AOKI

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2709) for the relief of Sadae Aoki, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Sadae Aoki, the Japanese fiancée of A. George Kato, a citizen of the United States and an honorably discharged veteran of World War II, and that Sadae Aoki may be eligible for a visa as a nonimmigrant temporary visitor for a period of three months: *Provided*, That the administrative authorities find that the said Sadae Aoki is coming to the United States with a bona fide intention of being married to said A. George Kato, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Sadae Aoki, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Sadae Aoki, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Sadae Aoki as of the date of her entry into the United States, upon the payment by her of the required fees and head tax."

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

The Senate amendment was agreed to. A motion to reconsider was laid on the table.

AMENDMENT OF NATIONAL BANK ACT AND BRETON WOODS AGREEMENTS ACT

Mr. SPENCE. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 96) and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives, in the enrollment of the bill (H. R. 4332) entitled "An act to amend the National Bank Act and the Bretton Woods Agreements Act, and for other purposes," is authorized and directed, in the second sentence of section 3 of the act, after the word "act", to insert the word "and."

The resolution was agreed to and a motion to reconsider was laid on the table.

HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4009, with Mr. Boggs of Louisiana in the chair.

The Clerk read the title of the bill.

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Chairman, this so-called housing bill is a hoax in many ways. It will not increase the amount of housing in the country. It will not provide housing for those who cannot afford to pay. No limit is placed upon the amount of income a person can receive and still be admitted into a housing project. True, a limit may be set but it is entirely at the discretion of the Federal Housing Authorities here in Washington. In the past this limit has been high in general. From time to time efforts have been made to place a top limit of income on those eligible for admission. Time and time again during the past few years such limitations have been defeated by the proponents of bills similar to this one.

The statement made by Mr. Thomas Danahey, at one time president of the Detroit Housing Commission, is correct. He said:

In the first place, it must be made clear that they—

The housing projects—

will not be rented to slum residents or welfare clients. The tenants in these buildings will be people with definite minimum incomes and to be eligible to move in they must prove that their incomes are steady. There seems to be an impression that the slum residents are going to take over the buildings. Such is not the case.

My chief personal objection is this hoax being perpetrated on so many kindly, well-meaning people who have been led to believe that those without funds and in dire straits can and will be taken into these projects. The history of projects built under the United States Housing Act of 1937 shows conclusively that this is not true.

Mr. Chairman, the fundamental reason why this bill should not pass now is because the country cannot afford it. We simply cannot afford it at this time, and this reason should appeal to everyone regardless of what their philosophy of government may be. No matter what the nature and character of a government may be, it must be solvent in order to be effective.

Mr. Chairman, this bill involves a commitment on the part of the United States

Government to spend at least \$16,000,000,000 over a period of 40 years. This is no ordinary authorization bill. The full faith and credit of the United States is pledged in the bill itself. This becomes a binding contractual obligation at the moment the contract is signed between the local housing authority, the dummy of the Federal Government, and the Housing Authority here in Washington. From that point on the United States Government is just as much obligated to pay the money—and the Appropriations Committee of the House is just as much obligated to appropriate the funds needed to carry out that obligation—as it is to supply the funds needed to pay the interest and to provide for the retirement of the Government bonds of the United States.

Of course, this is only an opening wedge. The gentleman from New York in his statement of yesterday proved the present desire to have a program reaching the amazing total of 1,000,000 public housing units per year. The figure of six and one-half million dwelling units is the generally accepted goal today. While this bill only provides for an annual obligation on the part of the United States Government of \$400,000,000, yet if the total of six and one-half million units is eventually provided for, then at that time the United States will have undertaken an obligation forcing the Congress to appropriate \$2,500,000,000 each year. If 1,050,000 units take \$400,000,000 annually in contributions, then six and one-half million units will demand \$2,500,000,000. Who amongst us is a good enough judge or prophet to foretell what the financial condition of the United States will be 2 or 5 years from now, let alone 25 or 35 years from now?

This is different from a pension; it is different from any other program. If you pass a pension bill and provide pensions for the veterans of our wars in case of need, that legislation can be repealed and the pensions can be cut down. This was done in the Economy Act of 1933 in respect to certain veterans' benefits. But, if you pass this housing bill, then for all time to come the Federal Government is obligated from the moment the contract is signed. There is no retreat, except by repudiation. That would mean national ruin.

There are too many Federal functions already. It is my feeling that if we are to economize at all in Government—and there is a real feeling for economy here in the House of Representatives and also throughout the length and breadth of this country, and if you do not believe it, just take a trip home and check on what I say—if you are ever going to economize at all, then the first essential step is to cut out and eliminate new programs at this time. Why take on new programs? If you take them on, and if you attempt to hold a balanced budget, then what you are doing clearly must be at the expense of the legitimate previously recognized constitutional functions of the Government. That has been very forcibly brought to the attention of this House not long ago when we had the military pay bill before us. The armed services had not had a general revision of pay since 1908; not an intelligent revision

covering the whole subject. In many cases certain members of the armed forces had only a 10 percent increase in pay for years before the Second World War. Now, no one can deny that the Military Establishment is an essential Federal function; yet that bill was defeated here on the floor of the House. There was a great deal of opposition to it, much of it arising from the fact that it provided for a large expenditure of Federal funds at a time when the budget was running into the red, despite prosperity.

If you continue to take on new programs, programs which must be considered in the luxury class at this time, then inevitably you are going to cut down and jeopardize the legitimate functions of the Federal Government.

In addition to the \$16,000,000,000 there are about \$3,500,000,000 in other expenditures provided. The half billion for grants to aid slum clearance is money which will never be returned. It will go where the woodbine twineth. Much of the funds for the farm section will never be returned, because the Secretary of Agriculture is given permission and authority to proclaim a moratorium on both interest and principal under the terms of the bill. What a power to rest in one single individual. Economic life or death over the farmer, according to his whim or fancy.

The proponents claim that it will provide more housing in the United States. I am quite sure that it will not provide more houses from the over-all standpoint of the number of new houses constructed—instead, it will provide fewer. We had an experience some time ago—not so long ago, 1945—with the veterans' emergency housing program. Wilson Wyatt told how it would result in 2,700,000 new houses. You know what did happen. It cut the construction of housing down to a minimum—around 450,000. It was not until that bill, with all of its controls and regulations and tie-ups, was repealed in the Republican Eightieth Congress in 1947 that housing construction in the United States was able even to start. Then in 1948, 935,000 dwelling units were built.

The slum-clearance section requires that slums be eliminated, starting not later than 1951. Up until that time the localities can postpone demolition. But, in order to get the low-cost housing, slums must be eliminated. If the same amount of building was built by private industry, and if the slums were reconstructed and repaired, then you would have the housing created both by the new houses built by private industry, and in addition to that you would have the less desirable but potentially adequate housing of the slums which have been recreated.

Now, another thing you do. The threat of Government competition, the threat of the Government stepping into the field and taking over and of accumulating and hoarding the building materials and all of that is a definite threat to private industry. The tendency is to drive private industry out of the field of residential construction and to make private industry go slower. From the time of the election last fall, when it became

fairly evident that this bill might pass, there had been a distinct drop in the amount of private construction each month up until May of this year. That drop was much greater in proportion than in other lines of industry.

In addition, this proposal has a retarding effect on local and State action. The very fact that this bill was pending made many States hold off and refuse to start to do anything on their own. The same was true of the localities. If this bill is passed, then from that point on there is no question in my mind but that the maximum amount of housing and slum clearing in this country will be the top limit for which Federal funds are provided. No State is going to go farther than that when they see the "pie in the sky" of Federal funds looming on the distant horizon. The States will wait for the pie to drop in their laps.

The same is true of localities. So I feel definitely that it will have a retarding effect. If you look back over the past few years during which the agitation for the WET bill has been going on you will find that it has delayed and prevented housing progress. People and governmental units have not bothered to do for themselves what others were promising to do for them later.

I call your attention particularly to section 506. Actually, the substance of section 506 is contained in the present law. Section 506 provides that the Federal Housing Authority can take over all the projects built since January 1, 1948, by the States or localities. Of course, if that is done, and if the Federal Government takes them over, and if the Federal Government agrees to use these annual contributions provided for in this bill for the purpose of paying annual contributions to houses already constructed, then clearly those same funds will not be available to the Federal Government to use for aiding and constructing new houses.

Could that section be stricken from the bill? Yes, of course. It is in existing law. It has not had any effect to date because there have been no annual contributions with which to assume the burdens and take over the State projects when you provide the annual contributions—as you do in the present bill—and if you take that over that way, then you limit the number of houses purported to be built under this bill in the exact proportion to the number and value of the projects previously built by others and now made a State obligation.

If you do strike that section from the bill, the other alternative, then clearly from that point on no State nor locality is going to go in and do anything at all until they have in hand a signed contract assuring them of Federal contributions during the 40-year contract period.

Slums actually are self-perpetuating unless you require some kind of health, sanitation, and building standards and enforcement by the local communities. The standards in the bill apply only to the local housing authorities. They do not apply at all to the community outside the area limits of the Housing Authority. If you do not include some such standard, then your slums will be com-

ing along just as fast as they ever did. You will have the same continuing necessity that exists today in the minds of the proponents of this bill for providing more low-cost housing and for clearing more slums in the minds of the proponents of this bill.

The mayor of Baltimore has been quoted quite extensively. He is quoted in the committee report on this subject and was quoted on the floor on how the Baltimore plan is only a temporary treatment. The mayor is a former colleague of mine, a good friend, and an able man. I should like to read to you a direct quotation from the hearings. Mayor D'Alesandro answered a question of mine, which brings out his unequivocal judgment on the point I am now making.

The questions I asked him and the answers by Mayor D'Alesandro, are as follows:

Mr. KUNKEL. If you do not have a pretty good standard of enforcement of health and sanitation provisions, such as you do in Baltimore, can you possibly avoid the continuing creation of additional slums?

Mayor D'ALESANDRO. You could not.

Mr. KUNKEL. The point I am trying to make is that the key to the final solution of this whole problem is the enforcement of proper standards on existing residential property, because otherwise you keep on building new houses to eradicate existing slums, but in the meantime new slums are creeping in and getting worse as time passes on.

Mayor D'ALESANDRO. Congressman, everybody tries to better himself. They try to move into new homes. They rehabilitate themselves and try to get into new sections. Nobody likes to live in the slums. I was born and raised in the slums, and I still live in the slums of Baltimore. And I did the best job of redevelopment in my section, by doing it with my own home, with my example. I tried to get people to fix their homes up and keep the old section alive.

Mr. KUNKEL. I mean you have to have the standards enforced in order to keep the property from deteriorating.

Mayor D'ALESANDRO. We do, yes. That is the Baltimore plan.

Mr. KUNKEL. Yes, and that is essential everywhere if you are going to go toward the eventual elimination of slums.

Mayor D'ALESANDRO. That is the point I am making: that that is your starting point, no matter what you do from there.

In other words, this bill at no point even attempts to hit at the root of the problem. The bill itself at best can be termed a temporary cure or opiate. Until you do something about maintaining and improving the conditions of these houses locally it really amounts to nothing at all in the long run. In other words, it merely continues a state of affairs for some later Congress to come in and try to do over again everything which it is being claimed is done by this bill. I hope the future Congress will try a method offering some hope. This bill certainly offers none. We hear a lot about the savings accruing from lessening crime and so forth, all of which will result from clearing these slums. I contend that you can have no savings at all from that source unless you prevent new slums from being created. The reason? It is not a particular slum which promotes crime. Crime can be created and caused by new slums and

developing slums just as much as from an old slum.

These houses are not low-cost nor are they low-rent houses. The only question is who is going to pay the rent. Actually when we had hearings on the bill for housing at military posts it was testified, and this is absolutely up-to-date and recent, that 17 percent more had to be paid by the Government for its construction than was paid for the same type of construction work done by private industry. The estimates on how much more these public housing projects cost than similar houses by private industry run anywhere from 15 percent to 25 percent. In some cases, much more. The difference is and the question is who is going to pay the rent. The user of the accommodations, or the Government and the user. The subsidy by the Federal Government is \$381 a year. Then to that you must add the local subsidy. This is brought about by the tax exemption of all local taxes, including school taxes and all States taxes. This is written into the contract. It is binding on the States and communities for the life of the contract.

Now that is \$31.70 a month. The Federal Government can pay \$31.70 toward the rent. Then, in addition to that, you have the amount paid by the locality. In our country there are 39,000,000 homes; 20,000,000 of them are owned by the people living in them, and 19,000,000 are occupied by renters. Those 39,000,000 families will be paying the rent for the favored million selectees who are going to be selected. I am not saying whether this selection is going to be good, bad, or indifferent, but somebody, somehow, is going to select them, and say, "You can come in and you can go out." You have 39,000,000 people paying Federal taxes and local taxes in order to subsidize the rents of 1,050,000 families. Worst of all, millions of these people are less able to afford high rents than many of those whose rent they are helping to pay.

This is not low cost, because the top limit of cost is \$2,500 per room. In many sections of this country 99 percent of the homes owned or rented by the people living in them today did not cost \$2,500 a room, even if they were built recently. For more than 50 percent of these homes did not cost near that much. May I make a suggestion to those of you who are so strongly in favor of public housing and intend to vote for it? Before you go home, find some good explanation—if you can—to give to your friends and your constituents who live in these lower-cost houses. They will be interested to know why they are being taxed, why their money is being taken over to some place else to provide, at their expense, a house for some other person's family. Personally, I think it is rather hard to explain, but I will not have to bother to explain this because I am going to vote against the bill. But it is something for the public housing advocates to have in mind, unless they come from New York, Detroit, or some high-cost city. The committee report—page 23—calls it unrealistic and not well founded to expect public housing to be built for as low a cost as private houses.

In other words, the Government will tax you to build a more expensive house for your neighbor than you built or rent for yourself. Great stuff.

In addition to that, as the gentleman from Kansas [Mr. COLE], has so well pointed out, there is discrimination all the way along the line. In the first place, there is discrimination between States because some States are not going to use any of these funds. Six States do not even have enabling legislation.

In the second place, the units will go mainly to the large cities where the construction costs are highest. Even assuming that a community does get a project, then you come down to the discrimination between individuals.

I am not going into the question of whether it might be just or unjust discrimination. The gentleman from Ohio [Mr. SMITH] has stressed the dangers of political control of human shelter in his minority report. It may be either, but the fact that some are going to be chosen and some are going to be refused shows that there is discrimination. Where there is to be a selection of some from among many, then you must select. Therefore you have this problem of discrimination inherent in public housing.

Now I want to go into the question of local taxes. No one has covered that to any extent. In the contract between the Central Housing Authority and the local unit, the unit must be exempted from all city and county taxes, all State realty taxes, and all district—sanitary, park, and so forth—taxes. That includes school taxes. That is a mighty important point. In the District of Columbia they charge \$150 for each pupil from outside the District who goes to an elementary school.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. KUNKEL] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. KUNKEL. In the District of Columbia they charge \$150 for each student from outside the District of Columbia who goes to an elementary school and they charge \$200 for everyone attending high school. That charge is based strictly on what it costs to educate the child. I have not had a chance to make a Nation-wide check, but I have checked up on another community located not far from here in a neighboring State. There, a person with an above-the-average home, one which would pay more taxes than the average home in that community, pays about \$95 in local taxes per year. It costs the schools in that town over \$150 for the education of each pupil. I think it would be proper that we should make provision, if the program goes through, for people with large families, as the proponents contend should be done.

So you can see that this school-tax item alone will run into money for the local communities. There is payment in lieu of taxes by the Housing Authority. That is true. That amounts to 10 percent of the shelter rent. The average shelter

rent is \$2.30 per month per unit, or \$28 per year.

Compare that \$28 per year with the cost of \$150 for one child in school and the cost of fire and police protection, garbage collection, and everything else which the municipalities furnish. Then you suddenly find that it is not all "pie in the sky" for the local communities. Meanwhile the town or city has given away by contract this big segment of its authority for a 40-year period.

Let us consider for a moment this matter of payments in lieu of taxes. These figures are taken from last year's hearings and are for the years 1945, 1946, and 1947. There are no figures for 1948 because the Committee on Appropriations did not provide for payments in lieu of taxes unless there was a contractual obligation between the Housing Authority and the community and then only in the amount specified in the contract. Often this was less than the 10 percent of shelter rent allowed in this pending bill. So we turn back to 1945, 1946, and 1947 to get the comparable accurate figures. We find payments in lieu of taxes were roughly one-quarter of the normal full taxes assessed against other property in the town. Therefore, three-quarters of the local cost is borne by other citizens of the community for the benefit of those in the project. Twenty-nine million dollars per year will be paid in lieu of taxes; therefore, \$87,000,000 per year was borne by the local communities. Thus, it is apparent that in the long run there must be either an increase in local taxes on the nonproject property or the individuals living in the town or else more Federal control and more coming down here to Washington for additional money to carry through these housing projects. In addition to that, the future payments in lieu of taxes will be less rather than more. They will certainly remain constant at present levels and they may decrease, because there are a lot of high-income families in the housing accommodations today. They pay more rent than the others. The program announced is to put those families out and take the low-income families in. Shelter rent is gross rent less the utilities. As those higher-income families go out and new low-income families come in at a lesser rent, the payment in lieu of taxes will tend to drop.

I wish to close by pointing out one thing: In this country today, no matter what we would like to see, there is a strong drift towards public ownership in many fields. The most striking illustration of that is the way in which the Federal Government has taken over atomic energy. That has been put entirely and absolutely in the hands of the Federal Government. There was no alternative. It was the only way to handle this new force, because of its very nature. Atomic energy has potential dangers to the human race, we know. So we have to put control in the hands of the Government; we cannot allow school children to be running around playing with some bit of atomic energy. We cannot afford to allow private industry to speculate with it except under strict Government supervision. The point is:

by placing this in the hands of the Government you have given the Government complete control over the great source of the power and energy of the future. There was no alternative; we had to do it; it was in the nature of things.

The Government has entered the field of public power mainly because of scientific developments, particularly the fact that hydroelectric power is a natural by-product of dams. Flood control and navigation can best be promoted and furthered by building dams. So we naturally drifted into that field. I could point out many other examples of this drift (radio, television, and so forth), though perhaps not so striking. So many things simply cannot be kept out of the hands of the Government with modern science and invention at its present stage. Hence, it is all the more important to hold all that we can in the hands of private individuals; and of all the things which we should retain in private hands I believe human shelter and the building of houses and the owning of houses is one of the most natural and most vital. Clearly, in connection with the building of homes there is no demand and no call comparable to that in the case of atomic energy.

You have this drift. It is extremely dangerous. The current pulls us toward the rocks of statism, and complete statism. The full union of economic control with political control is the thing we have to fear. Political control of any government, whether it is a socialist government or a totalitarian government or a democratic government, must be vested in the hands of a few people. A small group must always make decisions and issue the orders to carry them out. We have to have a small number down here in Congress, 531 out of 148,000,000. All 148,000,000 could not get together and vote on the innumerable questions arising. We have to have a small group down here at 1600 Pennsylvania Avenue, who are going to make decisions, the President, his Cabinet, and so forth. You cannot disperse political power too widely. It becomes unwieldy and ineffective. In the political area, it has always been that way. You can spread economic power throughout the country. You can disperse it widely. Where this has been done, and where it has been relatively free of political control, there the great advances in civilization and in human welfare have occurred. Strangely enough, many of the people who argue most vigorously for this great concentration of economic power with political power in one group of hands at the top of the Government are the same people who wisely pointed out that the obvious and entirely similar defects and abuses which come about from the too great concentration of economic power in the hands of too few individuals and groups. Their solution, it seems, would be to magnify the evil by vesting all economic power in one place. That one place is where the even vaster power, the political power, already resides. Government can step in and discipline big business. But if big business and big labor are swallowed up by big government then who is to police big government?

As long as we have a certain amount—no one knows how much the amount is—of power dispersed in the hands of individuals and groups throughout the country there is the ability to resist the Government and prevent too great abuses. If and when that drifts too much into the hands of the Government, then there is no effective ability to resist left. Then you have your totalitarian state. The state does as it pleases. The rights of the individual disappear.

If we are going to turn over to the State those things which are completely unnecessary to place in the States hands at a time when the Government has not the energies or the money or anything else to go into those fields, if we are going to do that at this time, then I say we are taking the greatest step toward socialism that any nation could possibly take. Bit by bit we add to the drift caused by science and invention. We give the turn of events momentum.

Socialism has a good ring to many people because the definition of socialism usually accepted is a free, classless state with a tinge of internationalism connected with it. I think we can all agree that a free, classless state is a highly desirable objective toward which we can direct our policies and toward which Government should strive. By concentrating economic and political power in the hands of a few people, then, in my judgment, what you do is to take a practical step which will completely defeat this desirable ideal, an ideal all of us have in mind and which all of us want to further in this Government of ours in the United States. Do not ever forget this: The United States is the closest approach—by far—to this free, classless state in the world today, or in the history of the world. We came along this road by keeping the economic and the political power pretty well separated.

Mr. Chairman, we must resist this trend. Human nature has not changed much. We have gone a long way in science, but we have not begun to understand man. Until you find the time when you can change human nature, you had better rely on harnessing the impulses of selfishness and using means and incentives to channel them into desirable pathways productive of over-all human benefits and adding to the general welfare instead of risking the corruption of this small group at the top by giving them an undue concentration of power. Power corrupts, and the greater the power, the more danger of greater corruption. The founders of this great Nation understood power far better than we do. They safeguarded at every turn against the concentration of power. Church separated from the state, States juxtaposed against the Central Government, the executive, legislative, and judicial branches of the Federal Government given checks and balances against each other, and above all, the economic power widely dispersed and segregated from the political. We face a challenge from the nature of the modern era. Let us try to meet it and resist yielding to it.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. LEFEVRE].

Mr. LEFEVRE. Mr. Chairman, as a great believer in free enterprise, I cannot help but oppose H. R. 4009. Controlling rents is bad enough, but in passing the last rent-control bill, we paved the way for gradually doing away with it and at least getting it back to the State level. However, rent controls combined with a Federal public housing bill will practically kill the private home building industry and lead further to the totalitarian state, which I am certain the majority of Americans are bitterly against. We have the examples of both France and England to refer to and why the American people should have any desire to learn the hard way is something I shall never understand.

To my way of thinking, this is one of the most important pieces of legislation in the so-called Truman socialistic program. Every day my mail is filled with letters from good, sound American citizens from my district protesting the administration's spending policies. To launch upon a \$19,000,000,000 program, which continues over a period of 40 years, at the present time when the Federal income is bound to be a great deal less than estimated, just does not make sense.

I have to admit that there are sections in my congressional district where some low rent housing could be used. It is not to any great degree due to a shortage of houses. Local papers in these areas carry longer lists of houses for sale than have appeared in their columns for years. Unfortunately, the sale prices of these houses are too large for some of those needing homes to carry. I honestly believe that situation is gradually changing. Material prices are coming down and the net result will be lower unit prices. I am under the impression that some of the people in the mid-Hudson River section of New York State believe that the pending housing bill will ease the housing problem for the low income families. Now let us be realistic. If this bill passes, only a few of the larger metropolitan areas will get the public houses. I can very easily picture the distribution being used as a patronage bid for increased votes where it will do the most good. As Al Smith would express it, "The record shows that has happened before." The record of the construction industry proves very definitely that it can cope with the housing problem without Government interference. Since the war, the United States Bureau of Labor Statistics reports that private builders have erected nearly 3,000,000 units. Last year alone, nearly a million homes were completed. Now we have a bill calling for the erection of 1,050,000 units in 7 years at a cost of between sixteen and nineteen billion dollars. Four hundred million dollars would be used annually for 40 years to pay the subsidized rents. Should the bill pass, at best only 150,000 units would be built a year and the sad part is the effect that this small number will have on those with venture capital. Those able and willing to invest in homes will refuse to risk their capital in the face of Government building and no one

can criticize them. It has been stated that at best only 6 percent of those who would qualify would be cared for under this bill. In all fairness, is it right for all the others to be taxed to help pay for homes for these few? Of course it is not. I have always said that the Government has no business getting involved in any business unless that industry fails. Certainly private building is doing an outstanding job to alleviate the present housing shortage.

Those of us who have watched our local tax problems grow must also consider this bill from that angle. Public housing projects are to be exempt from the regular real estate taxes. But still the municipalities will be expected to furnish all the regular utilities plus all the public services received by the other residents. Again the tax burden increases to take care of the few who might be benefited.

It has been brought to my attention that New York State paid 19.05 percent of the total internal-revenue collection for the year ending June 30, 1948. This means that if H. R. 4009 becomes law, New York's share would be equivalent to a State's 40-year bond issue of approximately one and three-fourths billions of dollars. Then you have to add to that the indirect costs, which include the expense of extending streets, sewers, water, police, and fire protection, estimated at about one-third of the direct cost. This brings New York State's share way over \$2,000,000,000. For your own satisfaction, reduce the above figure to your own town's proportionate share and then decide whether such extra tax burdens might bankrupt your communities. Personally, I would rather have no public housing than to obligate my constituents to pay for it elsewhere, thereby saddling my district with a tremendous extra burden.

This bill, after all is said and done, will have very little to do with making it easier for people to buy, build, or rent houses for themselves. It is a bill very similar to the one blocked in the House last year. In addition to the public housing feature, it has a slum-clearance provision and farm housing. The slum-clearance section is the best feature in it, but this, too, would cost hundreds of millions of dollars. The farm provision is generally conceded to be a political move to help the tenant farmer of the South. I doubt if any farmers in our part of the country could qualify.

In closing, I simply wish to state that the principle of this legislation is far from the American way. Home ownership has been a great help in building America. Every citizen who has worked and saved to own a home is proud of that fact. Let us not let him down. We all believe in progress, but when we let our ideals run away with our good judgment, and thus tend to weaken our financial stability, we must call a halt. We must hold our position as the financial citadel of the world, or all will be lost with complete collapse.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

EXTRAVAGANT ESTIMATES

Mr. PATMAN. Mr. Chairman, I do not agree with the distinguished gentleman from Pennsylvania, who has just addressed the committee that the figures are as large as he has indicated. In fact, the amounts given by him are very fantastic and greatly exaggerated, in my opinion, from the investigation I have made and from the knowledge I have of this subject.

Mr. YOUNG. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. YOUNG. The gentleman from Pennsylvania who just preceded the gentleman now speaking stated that this low-cost housing or slum-clearance program, if enacted by the Congress, would be the greatest step toward socialism any nation can take. I wonder if the gentleman from Pennsylvania considers Senator TAFT, of my State, who has supported this legislation, as being a Socialist?

CHARGE OF SOCIALISM UNFOUNDED

Mr. PATMAN. I do not consider the program socialistic. In the Senate, I think, there were only 13 votes against it out of a body of 96 Members. I cannot conceive of 50 or 60 United States Senators voting for a bill that they believe is socialistic. Anything in the interest and for the benefit of poor people is almost invariably branded as socialism. Back when we had all private schools, and efforts were made to have public schools, the cry of socialism went up; destroying private enterprise, private business, private schools. But now you never hear anyone contend that the public-school system is socialistic.

I recall the time when we had toll roads and highways. Every 5 miles you would have to stop and pay tolls. The tollkeeper was there. When the county or the city or the political subdivision attempted to build a highway the cry went up, "Why, that is socialism; that is destroying the private enterprise system." But now you never hear of any such charge as that. I recall the time when people coming into my home town, Texarkana, Tex., were required to cross the Red River, coming in from the Arkansas and the Oklahoma and the Louisiana side. In order to cross that river they had to cross on a ferryboat. That ferryboat represented an expenditure of just a few hundred dollars, but it made several hundred dollars every day. It was a very profitable operation. At one point, when the people of the county got together and voted funds to build a fine bridge and do away with the ferry, the people who owned that ferry were charged with dynamiting that bridge and destroying it on the theory that they were against the socialistic system, and they did not want to have private industry destroyed by having a publicly owned bridge, incidentally destroying a business for themselves. Now you never hear of any objection to eliminating toll bridges and toll highways nor free public schools. But everything that comes into the House like this for the poor people, although it represents only one-half of 1 percent at

the maximum of the residential housing units of this country, the old cry of socialism is brought out again. It is not socialism to do things that will prevent both communism and socialism. This country was on the verge one time of communism and socialism but it was saved because the Congress passed certain legislation that was helpful and helped the people promote the general welfare, and the people have no longer thought about communism or socialism.

The preamble to the Constitution of the United States says:

We, the people of the United States, in order to . . . to promote the general welfare . . . do ordain and establish this Constitution of the United States of America.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Louisiana.

Mr. BROOKS. The gentleman is making a splendid statement and I hesitate to interrupt him when he is making such a fine statement. But, as he was talking, I recalled the news release which reached my office, I think, yesterday or the day before, from the national commander of the American Legion, Perry Brown. Perry Brown happened to have lived in my congressional district at one time and he now lives in the State represented by the gentleman from Texas. He is a strong disciple of private enterprise, and his all-out statement for the Legion indicates clearly that he feels the Legion's viewpoint is that it is a patriotic program.

Mr. PATMAN. I thank the gentleman. The American Legion is behind this program as indicated by the gentleman from Louisiana, because the American Legion is an unselfish organization. They have differences of opinion, of course, but generally they are unselfish and they want to see the right thing done.

PROMOTE GENERAL WELFARE

Concerning the general welfare, it is our constitutional duty to pass laws that will promote the general welfare. We are charged with that duty under the Constitution of the United States. One of the first things we do here in the House is to take an oath that we will support the Constitution of the United States.

Our country has been referred to as a welfare state. That is the correct name for it if you go according to the Constitution, because the Constitution says we must promote the general welfare. A welfare state, yes. That does not mean socialism, communism, or fascism; it means private enterprise. It means the Government can get into certain lines of business where it is necessary to promote the general welfare.

Not so long ago I had a letter from a good banker friend of mine. He was objecting to the Government's getting into any type business in any way, shape, form, or fashion, words that you often hear along that line. I did not write him this, but I could have, that if we were to get the Government out of all kinds of business the bankers would not have any business at all. The only business they have is operating on Government money,

money created by the Government of the United States. If you take the Government out of the banking business the bankers do not have any business. So we cannot in every case take the Government out of business.

I do not want the Government in the housing business, no; but in a case like this these people that will be provided housing, and decent housing, for the many reasons which you are acquainted with and which I shall not repeat, cannot buy any kind of a house. They talk about them buying a \$5,000 house. They cannot buy a \$5,000 home, a \$2,000 home, a \$1,000 home, or a \$50 home. They cannot buy any price home. They are the people we are trying to take care of, poor folks who cannot buy anything.

It is not contemplated that 810,000 families will stay in these 810,000 units for the next 40 or 60 years. During that time 10 or 15 or 20 families will occupy each one of these units. There will be a turn-over. The 810,000 will go in but, as they have a larger income, more income, they will go out and buy homes for themselves and other people will come in. In that way, if the cost is \$8,500 per unit, as estimated, if you divide by 10 families using it over a period of 40 to 60 years, the cost is only \$850 per family, which is not very expensive to take care of a family. So this argument about the cost of these units has certainly been greatly exaggerated.

SELECTION OF TENANTS

The gentleman from Pennsylvania made an argument that should be answered about the selection of these tenants. He said someone is going to select these tenants, and that there will doubtless be discrimination in the selection. I will tell you how they will be selected, and use the gentleman's home town for it. He is from the great city of Harrisburg, Pa., the capital of the great State of Pennsylvania. They have housing projects there, more than one. They have never had a Democratic mayor in Harrisburg, never in history. When the housing authority was created, the Republican mayor selected the directors for that housing project. They were confirmed by the city council. They are outstanding men and women, business and professional leaders. Look at the people who are on the board of directors of these housing authorities. You will find the finest and best people in the United States. Now it is said that some Members of Congress want to vote for this because they can put their friends in these housing projects. Of course that is utterly ridiculous. A Member of Congress has no influence over it whatsoever and he should not. We have a housing project in my district. We will not have another one by reason of this legislation. We are not getting anything out of this for my people—not 1 penny. But I believe in promoting the general welfare of all the people of the United States. That is our duty under the Constitution. When the people are selected for the housing unit in Harrisburg, Pa., the Member of Congress has nothing to do with it. When they are evicted from

that housing project a Member of Congress has nothing in the world to do with it. Only the board of directors selected by the Republican mayor of Harrisburg has any control or jurisdiction or authority over that housing project. Yet they claim that there will be all kinds of politics in the selection and the evictions of these tenants in these different housing projects. There is not a word of truth in that, at all.

SELFISHNESS AND GREED

We have selfishness in the private-enterprise system. I am a great believer in the private enterprise system. I want to encourage it and help it and not do anything to retard or destroy it. But I concede that in a private-enterprise system there is selfishness. We are all selfish. That is why we work so hard—we work for ourselves. That is expected. No one denies it. We all admit it. That is all right. That is what makes a great country—the private enterprise system spurred on by selfishness. I am for it. But greed is different. Greed goes beyond selfishness. Where there is greed, there is no vision. Greedy people cannot see the general welfare. They only see their own interests and they cannot look at the general welfare at all. So, where there is greed there is no vision and I believe the Good Book tells us that where there is no vision the people perish. We have a lot of greedy people in this country and when anything comes up to help the poor folks they are against it. They are against anything to help the poor. Private-enterprise system will be helped by this bill as private contractors will construct every house and every unit in every project. Private suppliers of materials will furnish the materials for these projects. They will build houses which would not otherwise be built. Were it not for this bill these houses would not be built. Yet they oppose it—why? A lot of them are greedy—I do not say all of them are, but most of them are, because they want to continue doing business as they are. They say, "Let them do it under the FHA. Let them build some low-priced shacks or houses."

As I said awhile ago these people cannot pay anything for a house. They cannot pay \$50 for a house. Many of them have had misfortunes over which they had no control. They do not have the earning power. Thus the slum conditions have been created which we must eliminate in order to promote the general welfare. That is the object of this bill.

There are greedy organizations that have been fighting this bill. We have the Committee for Constitutional Government. We have the National Association of Manufacturers and the United States Chamber of Commerce. If you will notice, the same groups—exactly the same groups—fight every bill that comes up here which has for its purpose the promotion of the general welfare. They fight not alone, but shoulder to shoulder.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I yield 10 additional minutes to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, they fight every bill which is designed to pro-

mote the general welfare. They have plenty of money. They have ways of getting money. Under our tax laws we pay for that—the taxpayers pay for it. Corporations which are now earning four times and five times as much as they ever earned before, corporations which are retaining more of their earnings than they ever retained before, can make contributions to these different groups because they claim they are educational. They do not admit that they are propagandists. They claim they are educational. In that way they get tax deductions. They do not have to pay taxes on this money that they contribute to these organizations. That is up to 5 percent, and in certain cases 15 percent, of net and gross profits.

But there is still a better way of getting that money. They can buy at high prices books and literature and things like that, unlimited amounts of money, and they will deduct it as business expense, and get a tax reduction. So that the people, indirectly, are paying for all of this propaganda. The amount of money that they can spend is unlimited. Yes; they put a lot of people to work—spending money that should go into the United States Treasury. There is no limit to the amount of money that they can get for that purpose.

The corporations last year were really greedy. I say again, where there is greed there is no vision, and where there is no vision the people perish. If you leave it to the big corporations of this country to do what they did last year, we would not have any private enterprise system. We would either have communism or fascism. They would be the only alternatives. Last year they earned \$21,000,000,000 after the payment of all taxes—manufacturing concerns—four or five times as much as they ever earned before. Mr. Truman was right. They were causing inflation by high prices.

WHAT IS WRONG WITH STOCK MARKET?

Now, these greedy people say, "What is wrong with the stock market? People are not buying stocks like they should." I have been told of one corporation with a million shares that has \$13,000,000 of actual cash money and United States Government bonds. If it should liquidate immediately each shareholder would get \$13, not considering the business and the going-concern value of that business, and that stock has been selling for \$9. Why is that? I will tell you one or two reasons why. Whenever the stockholders see the officers and directors, who own very little of the companies they represent, keeping nine-tenths of their earnings, holding it back from them, keeping it out of the stream of business, they begin to get suspicious and they say, "Why should I own stock in a concern that is run by people who own so little of the company that they do not care for the stockholder?"

The American Telephone & Telegraph Co. is one of them. All the officers and directors running that company own one thirty-third of 1 percent of the stock of that company. Imagine those officers and directors owning one thirty-third of 1 percent. They have the power to do most anything they want to do with the

earnings of that corporation. They can contribute to all these propaganda outfits, make available to them all kinds of money for all kinds of purposes. In addition to that, they can vote themselves retirement benefits, \$25,000 or \$50,000 a year; annuities costing \$100,000; bonuses and big salaries up to six and seven hundred thousand dollars a year. The stockholders have no control at all over the company. They cannot even get consideration of any viewpoint they might have. Whenever they see a few people owning a small part of that concern, exercising all that power and authority, and abusing it, they have a right to stop, look, listen, and think. So the people who are greedy are the ones who are causing this situation, and I hope that the paid lobbyists, who are the special pleaders to fight this bill in the interest of the general welfare, will not prevail, as they have not prevailed in the past.

Let me invite your attention to the present law that was passed in 1937. Mr. Straus, from New York, came before our committee and advocated it. Under that law we have today 152,289 active residential units under the 1937 act. Do you know how much we contribute each year for the 152,000-plus? It has been said that we contribute \$24,000,000. We are liable for \$24,000,000, but we appropriate only \$5,000,000. So these figures are greatly exaggerated, and it is not likely it will be \$5,000,000, because so much will be paid in rents by the people who occupy this space. So I hope that every Member of Congress will give serious consideration to this and not be led astray by these fantastic statements about the huge cost, which are grossly exaggerated.

In this case the opposition to this housing act is led by greedy organizations and by a lot of greedy people. Some of them are not greedy; I do not believe all of them are, but generally the greedy people are spearheading the opposition to this legislation as they have spearheaded the opposition to all such measures in the interest of the general welfare. I heard the gentleman from Missouri [Mr. CHRISTOPHER] the other day make an interesting statement which I think is worth repeating. He said that when he is called upon to vote upon a bill he first wants to understand the provisions of the bill and make sure what it will do if enacted into law. Then he votes for or against it according as the provisions impress him. Then he looks around to see who is behind it, who is sponsoring the bill; then he looks around to see who is opposing the bill; and in that way he can usually come to a good conclusion. In this case you find exactly the same people all the time opposing legislation, anything in the interest of the general welfare. They spend millions and tens of millions of dollars in order to mislead and deceive the people.

I hope the Members of this House will vote for this bill.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, over the years, the House of Representatives has earned the honorable reputation of never forgetting the needs of one large group in the country that has won its right to be heard the hardest way. I speak of the veterans, the men who risked their lives in battle to preserve the democratic way of life we treasure so highly.

It is fitting and proper that we should listen to their pleas when they come before us. Our debt to them is great. Any proper consideration we can give them honors us as well as them. As we draw near a decision on the proposed Housing Act of 1949, therefore, it appears appropriate for us to ask what the views of the veterans are on this highly important measure.

Does this bill mean anything to the veterans? What is their stake in it? Are the men and women who served their Nation in its perilous hour in favor of slum clearance, housing assistance for the families of little means in the cities and on the farms, and an orderly program of research to cut building costs and improve housing standards?

Many of my colleagues in the House are themselves veterans. Some are veterans of two wars. I think they will have a particular interest in the views of their comrades in arms.

They will join with me in rejoicing that all the organizations who speak for the veterans—yes, all of them—are of one mind and forthright in their attitude toward this forward-looking housing bill. They are for it, gentlemen, all of them.

Who are some of these veterans who call upon us to act in favor of the housing bill? Let me name some of them for you. I can only mention a few, but their voices speak the minds of thousands and millions of others like themselves.

One of them is known to all Americans. He is none other than Gen. Jonathan M. Wainwright, the beloved hero of Bataan and Corregidor. As national commander of the Disabled American Veterans, he told our Foreign Affairs Committee last February:

In keeping with our proposed objectives during the coming year, we will ask Congress to stimulate construction of low-cost rental units for compensated service-connected disabled veterans.

More recently, Charles E. Foster, assistant director of national legislation for the Disabled Veterans, appeared before the House Banking Committee. I quote from his testimony:

The Disabled American Veterans is . . . primarily a single-purpose organization dedicated to securing benefits for those who, as a result of their service to their country, lost a part of their bodies or minds. Because of the critical housing situation, we are appearing here today in support of H. R. 4009, a bill designed to stimulate the construction of housing for both city and farm dwellers.

Now let us add another voice to the roll call for veterans who answer "aye" to H. R. 4009. Here is the American Legion, more than 3,000,000 strong. What did the Legion have to say about the housing proposals before us? At its convention in Miami last October, it adopted

a resolution calling for a genuine overall housing program. Let me repeat here the five points of their program:

1. Federal aid to States and municipalities for low-rent public housing for families of low income for whom private enterprise cannot provide.
2. An adequate farm and rural nonfarm program with Federal aid for families of low income.
3. Adequate Federal aid to nonprofit veteran cooperatives for large-scale developments including 100 percent Government-guaranteed financing or where not available provision for direct Government loans.
4. Federal aid to States and municipalities for slum clearance and urban redevelopment.
5. A more adequate research title than presently provided in the Housing Act of 1948.

That is the program which the Legion urges. Note well that four of the five points—slum clearance, public housing, farm housing, and research—are covered by H. R. 4009. Indeed, the Legion's resolution is virtually a brief summary of the pending bill, so closely does it follow the Legion's suggestions.

Now here is another voice from the veterans. This time it is the Veterans of Foreign Wars, among the largest of the veterans' organizations. Its spokesman before the House Banking Committee, Jack Carter, speaks for 1,500,000 veterans. He minced no words when he termed the housing problem perhaps not so dangerous a problem as potential invasion by an unfriendly nation, but certainly a problem of which we should take immediate cognizance.

The VFW gave the bill its specific endorsement. Its spokesman even went so far as to imply that the bill might well be expanded in its dimensions. He said:

No claim is made here that the bill H. R. 4009 would solve the entire housing problem. In fact, only about 10 percent of the estimated demand, currently set at about 15,000,000, will be met if all 1,050,000 units called for by this bill are built. It is, however, a start and will without question serve a portion of our population in dire need.

Still another group of veterans solidly behind H. R. 4009 is the Jewish War Veterans of the United States. It too realizes that this bill is not only important to the veterans, but also to all other citizens who are without decent housing. This organization, at its fifty-third annual encampment last September, approved the bill in substance and also authorized its national officers to work for its passage.

The Jewish War Veterans support this measure because it realizes that it is sound economy to replace slums and squalid shacks with decent homes for American citizens. I believe its representative, Bernard Weitzer, spoke the feeling of many of us when he told the House Banking Committee that the expenditures contemplated in H. R. 4009 "would seem to be sound practical economy—eliminating a huge financial burden which produces nothing but brief and creating a physical environment which results in sound, healthy citizens who would add to, rather than diminish, our resources."

The American Veterans Committee, an organization born of World War II, also replies to the roll call with a resounding

statement in favor of H. R. 4009. During the hearings before the Banking Committee its national vice chairman, Joseph A. Clouty, Jr., said:

The bill meets with our hearty approval insofar as it sets forth the basic provisions for an adequate program of low-cost public housing and slum clearance. This bill is not a veterans' bill in the sense that that term is usually interpreted, but for the American Veterans' Committee it is a veterans' bill in the truest sense of the word. By providing decent housing at rentals which our Nation's low-income families can afford it creates the kind of healthy society in which democracy can flourish. That kind of society is what we, as members of our armed services, fought for during the war; we are still fighting for it today as veterans.

To continue the roll call, we find the American Veterans of World War II, popularly known as the AMVETS, calling for favorable action by this Congress on slum clearance and public low-rent housing. Frank D. Scriven, cochairman of the AMVETS national housing committee, directed attention to the bipartisan support for this kind of legislation in these words:

There seems to be a general acceptance on the part of both the Democrats and Republicans of the necessity of furnishing the Nation with the public-housing and slum-clearance legislation. . . . The AMVETS convention mandate regarding low-rent housing reads: "That we urge Congress to provide 125,000 low-rent housing units, better known as public housing units, in each year for a period of 4 years."

As we pass along the file of veterans, we find still another great veterans' group looking to us to pass the pending legislation. This time it is the Catholic War Veterans, asking for an end to the years of fruitless debate on this subject and passage of H. R. 4009.

To this roster must be added the Paralyzed War Veterans of America, a group of brave Americans whose war wounds keep them confined to wheel chairs for the rest of their lives. They, too, are advocates of this legislation, asking that part of the housing this bill would provide be adapted for occupancy by veterans who have lost the use of their limbs.

The unanimity of veterans on the subject of this legislation is truly impressive. They stand united, shoulder to shoulder, as they stood when they answered the Nation's call to arms.

Will we listen to the veterans today? Will we heed the entreaties of those who were willing to offer their lives for us? Or will we heed instead those who boast of their power to stop such progressive legislation.

The choice is soon to be ours. The veterans will be waiting for our answer.

I urge my colleagues to support this legislation.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. Doyle].

Mr. DOYLE. Mr. Chairman and my colleagues, deep-seated, long-rooted prejudice generally allows no room for reason. Manifestly, in this debate so far there have been many expressions which clearly show preconceived opinions, deep-seated prejudice, and long-established opinions which leave no

room for reasoning together on such a bill as this.

For instance, when so many Members on the Republican side of the aisle emphatically declare that all the proposals in this bill are sounded in socialism, they, of course, inferentially at least, thus publicly declare that all the Members of the United States Senate—both Republicans and Democrats—who voted for public housing a few days ago are Socialists in their attitudes toward their responsibilities to the American people. How else would you, my colleagues, define a category of conduct for your Republican colleagues in the United States Senate who a few days ago voted for public housing such as we have before us today? Would all these Republican Members of the United States Senate have voted "aye" for public housing just a few days ago if they had not been Socialists?

Manifestly, the very ridiculousness of my question makes the argument against this bill by Republican Members of this House, on the grounds that it is socialism, more ridiculous and unreasoning than could be possibly imagined in such a house of debate as this is challenged to be.

Yesterday the distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN], in his prepared speech, which he so ably read, in opposition to this bill stressed the premise that the outlook of this bill before us today would result in socialism. Well, the gentleman from Massachusetts [Mr. MARTIN], the Republican leader in this House and Senator TART, the Republican leader in the United States Senate, evidently strenuously differ. For Senator TART not only voted for the public-housing bill in the Senate—he was an author and sponsor and active source of support for public housing the other day in the Senate.

May I ask my Republican colleagues a few questions about socialism in the sense in which they apparently used it in discussing this bill. Was Abraham Lincoln a Socialist when he signed the bill enacted by the United States Congress which gave to the Union Pacific Railroad thousands upon thousands of sections of good, fertile soil in order to make it possible for the Union Pacific Railroad to build its line to the golden State of California from the East? Was it socialism for the Congress in Lincoln's time to enact legislation to aid private enterprise in the worthy concept of building this railroad from the East to the West. Manifestly, private capital could not and would not then undertake the building of such a railroad at such tremendous cost. Did that destroy private initiative in the field of railroad building in the United States? Or did it encourage it? Was it socialism when the United States Government, through President Franklin Delano Roosevelt, declared a bank holiday and thus saved the private investments and deposits in the banks of the Nation? Was it socialism when the Securities and Exchange Commission was created for the protection of purchasers of securities in the United States against the corruption and dishonesty of a few greedy men in our Na-

tion? Was it socialism when the taxpayers of the United States pledged their credit to guarantee bank deposits in Federal banks? Was it socialism when the taxpayers of the United States, through congressional action, guaranteed the deposits in Federal building and loan associations?

Of course it was not, nor is it. And these years of experience have proven, beyond a doubt, that the entrance of the credit and protection of the credit of the United States in these fields, as well as others, has been a boon to the mental attitude of all the people of the Nation and has proved a strengthening factor to the banks and lending agencies doing business as private enterprise.

I wish to direct most of my remaining remarks to the portion of the bill which relates to slum clearance and construction of decent housing for those low-income families who are compelled to live in such areas on account of their low income. I call your attention to the fact that a recent article in the Atlantic monthly presented some facts which show that, far from wasting money, every dollar the Government spends for slum clearance and public housing actually saves us money. For instance, it is pointed out that one-fifth of our country's housing is presently in slum areas and that these same slum areas provide homes, at this very hour, for about one-third of our total population in the United States. Therefore, what affects one-third of our total population definitely affects all three-thirds or the total of our population. The health, the morality, the mentality, the home conditions under which one-third of our people, men, women and children, are compelled to live, determines the destiny of how the other two-thirds of our people will be able to live in the near future, for, out of this one-third of our population which presently lives in slum areas, will come millions of underfed, underschooled, ill-health, delinquent, dependent children from broken homes, from immoral and unmoral conditions.

The same Atlantic monthly points out that present slum housing in the United States yields only 6 percent of the total real-estate-tax revenues, upon which most towns and most American cities are compelled to rely for the bulk of their operating funds. In other words, gentlemen, one-fifth of the housing in the United States at the present time pays only one-sixteenth of the real-estate taxes in the cities of the United States. Is this good business? Is this sensible revenue methods for our cities? No wonder private capital has never adequately occupied the field of low-income housing in our cities. And yet, at the present time, most of our slum areas in most of our American cities have been built with private funds.

And, in return for this 6 percent of the real-estate-tax revenue to our American cities from slum-housing areas at present, the Atlantic monthly states that slum areas in every American city require an average of more than half of the available medical and institutional care; half of the time of the police; one-third of the time of the fire departments; and most of the welfare benefits paid for by the

cities, or through the city agencies, by the taxpayers of the county in which the city is situated, or by the State. Think of it.

I call it Americanism to be concerned about such a condition as this, and the lack of being concerned about it to the point of doing something about it, is not in keeping with our American way of life. Our very self-interest in one-third of our population should determine that we will not tolerate the condition to longer exist which predestines that more than 50 percent of medical and institutional care and half of the police time of our Nation and most of the welfare benefits is going to those who are compelled to live in slum housing on account of low income.

And how low is their income do you say? It is established that 20 percent of our city families earn less than the sum of \$1,500 per year. And there you have it. Instantly I give you that figure, your mental reaction is, I know, to ask yourself this question: How in God's name do they live on that low income? But, Mr. Chairman and colleagues, the cold fact is that they are compelled to live under unbearable, unhealthy, disgusting, and disgraceful conditions because they are earning less than \$1,500 a year. How would you like to have your wife and children live on \$1,500 a year?—yet you and I can do something about making it unnecessary for these millions of American men and women and growing children to live in "hellholes" which we designate for the purpose of this debate as "slum housing."

Let us take a look at what these governmental costs mean in dollars and cents to take care of the one-third of the people of our Nation who live in slum housing. For instance, the United States Census Bureau informs us that annually our 397 cities in America of more than 25,000 population expend over \$220,000,000 for health and hospitalization; over \$335,000,000 for police protection and control; \$215,000,000 for fire departments; \$272,000,000 for public welfare. Nor does this \$272,000,000 for public welfare include the millions and millions of dollars raised and expended by the community chests and similar welfare agencies in our Nation. Therefore, it is fair to adjudge that about \$614,000,000 may be considered as an annual cost of continuing our slum housing. It likewise means, in the ultimate, that we are actually not saving \$400,000,000 annually by continuing to ignore our slum problem and by continuing to do our duty as fellow Americans to release these millions of our neighbors to a decent living condition from an unbearable living condition over which they have no control. In fact, we appear to be wasting approximately \$214,000,000—nor does this include the cost of the human and degrading misery of the millions of our fellow citizens who have to live in these degrading and destructive conditions in the American slums because no other low-cost housing is available.

And you, my colleagues, will be compelled to agree with me when I state that you and I know by past experience that private enterprise has not, cannot, and will not enter this field of low-cost housing. Private enterprise is naturally

and normally concerned with making monetary profit. I do not criticize private enterprise for not risking its invested capital in this slum clearance and slum construction. But private American enterprise is injuring itself and risking economic insecurity for its other investments by reason of helping to force one-third of the people in American cities, with their children, to continue to live in slum areas.

I do hope that every Member of this great deliberative body will find time to read the total text of H. R. 4009. It is not compulsory; it does not compel any borrower or any agency to borrow or to proceed. Whether or not any slum area is destroyed and removed and a new, low-income and decent place to live is constructed by or in any American city or community, is determined entirely by the governing body of that city or community. This bill merely makes it possible for American cities and communities to remove from their midst these open shores of juvenile delinquency and crime; these breeding grounds of physical disease and serious mental disorders; these schoolrooms of iniquity and storehouses for unpatriotic sentiments and communistic ideologies. Having been juvenile court officer of Los Angeles County, and having been the counselor for more than 100 delinquent and dependent boys at the George Junior Republic in California for more than 3 years, and having been president of the Recreation Commission in my home city of Long Beach, Calif., for about 15 years, I am at least as aware of the tragic liability of slums and the result of slum residence as are most of the Members of this House. Every place of residence in America where children are born and reared should be an asset instead of a liability. Only as our American homes are decent and have decent surroundings will the product from those homes be decent. Conditions beget attitudes and attitudes beget success or failure and children who are raised in slums cannot fairly or strongly be condemned for becoming problem children.

I have visited many slum areas, I have observed them, and one of the liabilities surrounding such areas is the lack of adequate playgrounds. I saw the shocking contrast between slum areas in New York and those slum areas which had been destroyed and in their places decent housing conditions made available to millions of fellow Americans. I saw the children happily at play in the decent housing projects provided by the city and State of New York. And, in the reverse, I saw some of the "hellholes" and back alleys in which children were expected to grow up as decent, law-abiding citizens. I wonder that millions of American children grow into youth and manhood and become as decent citizens as they do. So, Mr. Chairman, I hope that, as these Federal moneys go to aid municipalities and governmental agencies in providing decent homes for millions of children, the municipalities take advantage of the moneys to provide adequate play areas and recreation facilities for the children and youth and adults, too. Play is not only natural to a child—it is an absolute necessity to a child's mental, spiritual,

and physical development. As the child plays, so he grows into manhood or womanhood. A family which has no chance to play together will seldom live together happily or with decent objectives or strong motives. A family which has no opportunity to recreate, in the highest sense of the word, will not contribute much of anything to the sinews of our American way of life. These are truths I believe to be self-evident.

Another term for a slum area is a blighted area. And title 1 of this bill merely makes it possible for there to be two types of assistance as set forth by the committee report on pages 36 and 37:

1. Loans * * * at an interest rate designed to return to the Government the cost to it of the funds it obtains to make the loans;
2. Capital-grant subsidy * * * to enable the land in the project areas to be made available for use at prices consistent with proper and sound land use and planning;

Mr. Chairman, I am willing to go forward all together or not at all to permanent economic security and social decency. The cities and the agriculture areas are interdependent for they are economically dependent on each other. We in California are having approximately 40,000 people a month enter our State borders from other States. We have cause to comprehend that folks who come from other slum areas in other American cities will, likewise, be compelled to live in slum areas in California. We already have too many slums in California. We are doing something about it; not enough, however.

It is certainly not socialism for the taxpayers of the United States to subsidize the cotton crop or the peanut crop so the agricultural portion of our Nation which grows these essential crops will have economic stability. Certainly none of my colleagues from States concerned with agricultural crops would hold that Government aid for these growing crops is socialistic. And it is certainly not less important that we subsidize living conditions for one-third of the population of our Nation who are not able to presently earn enough to live under conditions which will be assets instead of liabilities to our Nation. Agriculture must be stabilized; living conditions must be stabilized. As one is essential, so is the other. Both are necessities. Neither is socialism. Both are common sense, both are sound. It would be tragic lack of Americanism to further condemn millions of children to continue to grow up into American manhood and womanhood in surroundings which virtually condemn these millions to have attitudes toward America which are liabilities instead of attitudes of sound Americanism. The American way of life; the private enterprise system; these are not strengthened in the minds of the millions of Americans who are presently living in slum areas. As they are blighted areas, so the minds and the bodies and the souls of these millions of Americans are blighted by the conditions under which they are presently compelled to live.

Mr. GAMBLE. Mr. Chairman, I yield 13 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I believe it was William Howard Taft who once said: "Never argue against prejudice." I wish, however, to reply for 1 minute to the gentleman from Texas who cries out against the people who are against this bill. And he is the chairman of the Small Business Committee. I should like to point out that probably from 85 to 90 percent of the millions of men who make up small business in this country are opposed to this legislation.

Within a few days figures from the Treasury Department are expected to show Federal revenues for the close of this fiscal year will be short by \$1,500,000,000 of covering expenditures. If you vote for this Federal housing bill, you are unlocking the flood gates of additional governmental expense and deficit financing that will further threaten the financial solvency of the Nation.

If this country is saved from such a disastrous result, I am convinced that it must be done by the Members of the House of Representatives who are the closest to the people, as was provided in the Constitution to meet just such an emergency as confronts the Congress and the people today. If the Members of the House of Representatives faces up to its responsibility and defeats this bill it will justify the faith of the founding fathers of this Government, and will receive the plaudits of the thinking people of America. This is the most important legislation that will likely face this session of Congress. We stand at the crossroads which leads to the continuance of free enterprise, or statism for the future. You must decide today which road we shall take.

Mr. Chairman, it is extremely unfortunate to the Nation that this bill is even being considered by the Congress. If this bill is passed it will add a financial burden, even in its reduced form, of probably over \$10,000,000,000 to the debt load of this Government. This at a time when we are in a recession which has largely been brought about because of our immense public debt, and because the President has continued to insist that we increase taxes to meet a \$42,000,000,000 cost of Government budget.

When you send the news out to the Nation from us who are supposed to intelligently help to direct the affairs of Government, that this Congress in this one bill has increased the debt load for the future by this enormous amount, you will increase the fear of those who are capable of investing their money in the building of homes throughout the Nation. It will have a tendency to further destroy the confidence of the thinking people of America in the Congress of the United States and this administration to the point where it will contract private investment and reduce the amount of risk capital that otherwise would go into business expansion.

There are over 4,000,000 unemployed now. The result of this legislation and the fear it will bring to the investors of capital I have referred to, will most likely help to add greatly to the unemployment rolls, to the great hardship of the laboring people of America, because no building under this legislation is contemplated in the near future.

It will cause private investors to refuse to build apartment buildings and homes because of the deadly menace facing them of the Government going into the housing business in competition with private industry.

Mr. Chairman, over a year ago 20 homes were built in my country to sell at a little over \$8,000 by the Marion County Housing Authority under the national housing program. When those buildings were ready for occupancy, and the chamber of commerce who backed the authority, widely advertised the opening of these homes for sale, they were not able to sell a single one of these units within the 3 months they were widely advertised before I left Salem to come here for the opening of the Eighty-first Congress.

Now I want to read into the RECORD a letter from one of the businessmen who was induced to become a member of that housing authority in my county along with other businessmen in the hope of helping to provide homes for the people under such authority. I think you will be interested in what this businessman has to say, which is the same story, in fact, that was told to me by others who helped without any hope of any financial gain to provide this housing:

CENTRALIA, ILL., May 27, 1949.

HON. CHARLES W. VURSELL,
Congress of the United States,

Washington, D. C.

DEAR SIR: I have just been reminded that the national housing program bill is up before the House and Senate for action. You may know that I am on the board of the Marion County Housing Authority under the State set-up. I intended to resign at the end of my term last year, but upon insistence of some of the other board members stayed on. I finally decided to stay on if for no other reason than I have no irons to heat and would stay on to see that the best possible efficiency could be maintained in the interest of the public funds.

Actually, I have decided that no Government agency can compete with private enterprise in a deal of this kind, whether it be power production, housing, or otherwise. It just is not in the cards. We have had bungling on the part of the State board and the red tape has cost us endless expense that would not have been necessary under the private system.

For example: They first gave us the go sign but we could not even buy a tract of ground without their approval, the house plans had to be approved by the State, the architect had to be approved by the State, the bookkeeping system had to be approved by the State, payments to the contractor had to be approved by the State even after they had approved the contract setting forth the system of payment, on and on to the point where I told them to just write the checks from Chicago if they were going to run it. This is the type of thing that Government agencies create and it would be no better in the Federal Government.

The more of bureaucracy I see, the more necessary I feel it is to maintain private enterprise. I hope you will continue to oppose unnecessary appropriations and to help trim Government expense wherever possible. Private enterprise made this country great and the "isms" ruined every country which they have invaded."

Sincerely,

DWIGHT FRIEDRICH.

Mr. Chairman, the great majority of the mail most of the Congressmen get, if it is like my mail, continues to ask

you to reduce spending and to reduce the cost of Government. The gentleman from Kentucky and others will say that there is a great cry on the part of the people to enact this legislation. May I say to you that I represent 350,000 people from the Twenty-fourth District in Illinois, and that I have not to date received a single letter or telegram of any kind urging me to support this bill. Every letter or telegram I have received with reference to this legislation has urged me to vote against it, and has urged me to exert my efforts to help to cut the expense of Government because of the present tremendous tax load.

The National Housing Authority and bureaucratic organizations of Government, and the great Government propaganda machine paid for at the expense of the people, are the real lobbyists in support of this bill, along with the left-wingers, the politicians, and, of course, the Socialist and Communist Parties.

Let me point out that in this housing proposal we have finally caught up, even though 10 years late, with the Communist Party in its fight for public housing at the expense of the people. They had such a plank in their platform in 1928, and in 1948 they asked for the Government building of 1,000,000 low-rental housing units. This administration topped them in H. R. 4009 by calling for 1,050,000 units.

I am opposed to this legislation because it is political housing. Were it not for the political aspects of this housing bill, it would not be before this Congress. Were it not tied up with the political possibilities and the political influence, such legislation may have on the masses, who are promised rentals at half price at the expense of the public, this bill would not get a hundred votes in this House.

I oppose it because it is, in fact, using the power of the Federal Government to destroy the great building industry of private enterprise. When the Government destroys a private enterprise, then the Government takes over its functions and that is socialism. This will mean that the Government will socialize the building of homes as it did in France.

I am opposed to this bill because it will take money, through excise taxes and otherwise, from the really poor, like those living on small annuities and old age assistance, who will not be permitted as occupants in these low-rental buildings.

I am opposed to this legislation because out of the 3,000,000 families a special group of 1,050,000 families would get the benefit of these low rentals, while 2,200,000 families in this same category would have to pay additional taxes for the favored few.

If this bill is passed, it would be only justice to the 5,000,000 families in the other low-income groups to extend this legislation next year to provide them with equal rental opportunities, and that would cost far beyond \$100,000,000,000.

If we pass this legislation, there will most likely be a bill presented to the Congress next year by these same planners to take care of this group.

I am opposed to this legislation because it will rob the men and women of

their cherished ambition to work and save to build and own their own homes. This legislation strikes another destructive blow at the moral fiber of the American people.

I am against it because it will mean less homes at greater cost, rather than more homes.

Mr. Chairman, this housing bill in section 2, in its declaration of policy, in its first paragraph, holds out a false and impossible promise to the American people when it promises: "the realization, as soon as feasible, of the goal of a decent home and a suitable living environment for every American family." What a false, dangerous and deceptive hope to hold out to the people.

Everyone knows that the attainment of that goal, physically and financially, is impossible. It is a utopian, deceptive, political statement. It has never been the policies of the founders of our Government to make such a guaranty to our people. Such guaranties could not be kept, if made, and every sensible person knows it.

The American people who are worth their salt, and most of them are and will remain so, unless their moral fabric is further destroyed by the Federal Government promising them everything; still have enough pride that they want to build their own homes like the pioneers who built their early homes and at times log cabins along the rivers in the early days of this country. And who by their own efforts conquered the plains and built the greatest Nation in the history of the world. If their pride and character had been weakened by such legislation as this, they would not have succeeded.

If you take away this incentive, as this bill attempts to do, you will strike a terrific blow at the greatest heritage and wealth this Nation has today—that is the ambition, character, independence, morals, and pride of the American people.

In every State, including California, that has had a vote on low-rent Federal housing, the people have defeated it overwhelmingly. If this bill is defeated, private building will soon close the gap between supply and demand. If this bill is passed, it will slow down the building of homes and apartment units by private interests in the future.

There is no demand worthy of consideration by the people for building rental homes by the Government. Polls taken widely throughout the Nation in various newspapers on the subject of low rental housing built by the Federal Government have run on an average of about five to one against this proposition.

If this Congress passes this legislation, it will lower the confidence of the people of the Nation in the Members of this body.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, with respect to the remarks of the gentleman from Illinois [Mr. VURSELL], who has just completed his statement, let me point out that I, too, am from the State of Illinois. The gentleman represents a dis-

tract, primarily rural, in the southern portion of the State, while I represent a district in the heart of the city of Chicago.

The gentleman has consistently stated throughout his statement that thinking people are opposed to the public housing bill, H. R. 4009, and that its passage would be acceptance of statism or socialism. I hold here in my hand a document which is entitled "Manifesto on Housing." It has been issued by the Church Federation of Greater Chicago, consisting of more than 1,200 Protestant churches, and will be read in churches throughout the city of Chicago next Sunday, June 26. Other denominations have joined with the Protestant churches and will also join in the appeal for adequate housing. The statement of this federation is as follows:

MANIFESTO ON HOUSING

(To be read in churches on Housing Now Sunday, June 26, 1949)

This manifesto has been developed by a special Housing Now Committee of the Church Federation of Greater Chicago, and has been approved by a group of prominent Chicago ministers. All citizens, regardless of creed, race, or nationality, are urged to join in subscribing to this statement and to respond to its appeal.

The housing shortage is one of the critical problems that Chicago now faces!

There are one hundred thousand more families in the city of Chicago than there are dwelling units; and another 150,000 dwelling units are unfit for decent human habitation. The present rate of construction, including all city plans for private and public building is not replacing the housing annually being destroyed by fire, demolition for highways, and depreciation.

This is an economic crisis which has ominous implications for the future. But of far greater importance is the moral and spiritual crisis to which lack of adequate housing is contributing in tens of thousands of Chicago families. It is safe to say that in each of our churches there are families without adequate housing: broken homes, unfair treatment of the aged and children, and the decay of Christian homes is evident in each parish.

The churches, and all who call themselves Christians cannot escape a special responsibility for this civic problem. The Amsterdam Assembly of the World Council of Churches stated that the churches, in humility and the spirit of repentance for their own sins, have an obligation to " . . . declare directly what they see to be the will of God for the public decisions of the hour and also to point to the main objectives toward which a particular society should move."

We urge the Christian people of Chicago and all other citizens regardless of denomination, creed, or political affiliation to repent of apathy and indifference toward this problem; and to pledge themselves to place the public welfare and basic religious values above every selfish consideration. Let there be a great upsurge of public support for an adequate and balanced housing program which will meet the need of all income groups, without regard to race, creed, or national origin. The need is urgent and action should be taken now.

We urge the governor, the mayor, the city council, and other public officials, and private business interests to give aggressive leadership immediately in the formulation and execution of an adequate housing program such as has been passed by the United States Senate and is now before the House of Representatives, and thus insure the

future economic, moral, and spiritual security of our great metropolitan community.

George A. Fowler, Chairman, President, Church Federation of Greater Chicago; John W. Harms, Executive Vice President, Church Federation; Mitchell T. Anchor, United Church of Hyde Park; Bert H. Boerner, University of Chicago Settlement; Armond Guerrero, Mayfair Methodist Church; J. H. Jackson, Olivet Baptist Church; Harold Lunger, Austin Boulevard Christian Church; William L. Rest, Immanuel Evangelical and Reformed Church; F. Adrian Robson, Chicago Congregational Union; Dudley S. Stark, St. Chrysostom's Protestant Episcopal Church; Theodore V. L. Harvey, Englewood Baptist Church; Robert Stanger, Bethany Evangelical and Reformed Church; Elmer L. Shirrell, Chairman, Department of Citizenship, The Church Federation; Roland W. Schloerb, Hyde Park Baptist Church; Alva Tompkins, Olivet Presbyterian Church; Philip G. Van Zandt, Logan Square Baptist Church.

Are the leaders of 1,200 Protestant churches Socialists? Can the gentleman state they are not thinking people? How utterly absurd is the gentleman's argument.

It was charged yesterday by the minority leader, the gentleman from Massachusetts [Mr. MARTIN], and the gentleman from Illinois [Mr. ALLEN] that all of private enterprise is opposed to this legislation. This is certainly not true in my community, and I doubt that it is true in many other areas. Two years ago the city of Chicago overwhelmingly approved a \$30,000,000 public-housing and slum-clearance program, and such groups as the Chicago Association of Commerce and Industry, many leading real-estate firms and contractors not only supported the program but actively pressed for its approval. The program which the city endorsed is basically similar to H. R. 4009. And yet, although the city has made a start, it cannot make further progress because of the limitations of its own resources and the inability of its citizens to obtain amendments to the State constitution which would permit adequate financing of a housing program, as was done in the city of New York.

Yes; Chicago has made a start, but only a start. For those who doubt the necessity of this bill, let me point out certain facts relating to public housing in Chicago.

First. Public housing in Chicago has built 7,680 permanent type dwelling units in 10 large community housing developments.

Second. Chicago's public housing developments have provided homes for the lowest income families. More than 12,000 low-income families, including veterans and low-income war workers have lived at one time or another in these projects. At the time they moved in these families had the lowest incomes of any group of families in large northern cities where wage rates and economic conditions are generally higher than in rural areas. In 1940-42 the income of families moving in averaged only \$850 a year, about \$17 a week;

Today, incomes of families moving in average \$1,600 a year or about \$35 a week

when half of Chicago's families earn more than \$75 a week, and one-fifth earn less than \$40 a week.

No family has been too poor to get in. Those earning as little as \$400 or \$500 a year are accepted as tenants. Half of those now moving in are recipients of public welfare, aid to dependent children or are receiving GI allotments. 20 percent of all tenants are in this group.

Third. Chicago's public housing program is indispensable to slum clearance. Existing federally aided projects have cleared and replaced some 120 acres of slums. All families moving in must come from slum homes, and there would be 7,680 more families living in Chicago's slums today if the present projects did not exist.

All of the leading business and citizens' groups of Chicago interested in slum clearance have recognized that public housing must first be built to rehouse those who will be displaced by slum clearance.

Fourth. Chicago's public-housing developments have been built at economical costs. The Ida B. Wells Homes, a 1,662-unit combination multi-story-row house development, comprising 125 buildings on 47 acres of land, completed in 1941 cost only \$5,069 per unit or \$1,187 per room including land, all fees, and overhead expenses. Today, when building costs have soared, the Chicago Housing Authority is currently building multi-story elevator type apartment projects at \$2,200 per room.

Fifth. More than 10 years' operation of the program in Chicago has produced low rents to tenants and very little cost to the Federal Government or taxpayers. Rents are graded to tenants' incomes enabling lowest income families to pay only \$15 a month while those able to afford more pay higher rates. Average rental return plus low operating costs and low financing costs on funds borrowed to pay the initial cost of building the projects has resulted in practically no cost to Federal Government. For example, on federally aided projects under its contracts the Chicago Housing Authority may obtain up to about \$180 to \$210 a year per family in Federal subsidies. However, actual Federal subsidies required have amounted to only about \$5 per family per year.

Funds obtained to pay initial cost of building projects are being repaid. Most of the projects have been built with funds borrowed from private sources and these borrowings are being repaid at an unexpected rate—the Ida B. Wells Homes originally required a borrowing of nearly nine millions has had \$913,000 or more than 10 percent retired in 8 years' operation. On three projects financed with PWA grants of \$15,500,000, \$1,700,500, more than 10 percent has been returned to the Federal Government in form of rent payments in 10 years' operation.

While real-estate taxes are waived to assist in obtaining low rents, more than \$1,000,000 has been paid to local taxing bodies in service charge payments distributed in the same manner as taxes, and in all cases payments are exceeding former taxes assessed on same properties

before they were public housing. Hence no revenue has been lost to taxing bodies through this method.

Sixth. Chicago's public housing program is showing benefits in building better, more prosperous citizens, developing new home owners, and reducing costs of fire, disease, and delinquency to the general community. Lifting families out of the slums has resulted in higher morale, more industry, and ambition and higher earning power by many of the families, resulting in a number of tenants who, though poor when they moved in, increase their incomes to the point where they are no longer eligible for public housing. Normally, these families have been evicted from the projects. Since the start of the program, more than 1,200 over-income families have moved from the Chicago projects. Of these, more than 300 have purchased their own homes.

Fire rate has been reduced drastically and of those few which do occur damage is slight—no permanent type dwelling has been destroyed by fire—one-third the number of fire calls per year per public housing compared with sites before cleared. Death rate from tuberculosis among Negro tenants of public housing has been reduced to less than one-half for Negroes living in Chicago's slums. Unexcused absences from school among children from public housing is less than from surrounding slum areas. Other cities report similar types of benefits in lower disease, death, delinquency, garbage collection costs of public housing as compared with slums.

Seventh. H. R. 4009 is vitally necessary if Chicago is going to make real headway in its housing and redevelopment problems. The increase in city's population, together with marriage and birth rates which continue at high level, in addition to families already doubled up, constitute a need for at least 200,000 additional dwellings to the city's present housing supply. This need is greatest among the middle- and lowest-income groups, less among those able to afford high purchase prices or rents. Of the thousands of veterans seeking homes and apartments as well as thousands facing displacement by slum clearance, most can afford to pay between \$40 and \$60 a month, about one-fourth less than \$40 (the public-housing market), and very few over \$60 or \$80.

Private construction has added an average of only about 6,000 dwellings a year to the city's housing supply in the last 3 years. More than 80 percent of these have been single-family homes for sale at prices of \$12,000 or more, practically all of the few rental units cost more than \$80 a month.

In addition, present public and private slum clearance, superhighway, medical, and other redevelopment projects will displace an estimated 22,000 additional families. Relocation housing now under way with city and State funds will provide but from 2,000 to perhaps 2,200 units for low-income portions of those displaced.

The Chicago Housing Authority already has a backlog of some 25,000 or more applications on hand; many represent families who have been waiting 4 or 5

years or longer, and is receiving additional requests for help in obtaining housing at the rate of 3,000 to 4,000 per month. Temporary dwellings for veterans' families are nearing the end of their life. Trailers are in such uninhabitable shape that they will have to be taken out of use within the year. This means a shrinkage in the supply of housing by one or two thousand units within the next year or two.

There has been so much fear expressed upon this floor about what the public-housing bill would do to our country that I am reminded of the remark that was made by Mr. Justice McReynolds approximately 15 years ago when he stated in a decision of the Supreme Court, "The Constitution is dead." Mr. Justice McReynolds was entirely wrong. The Constitution since that statement, has proven itself to be a dynamic, living instrument, flexible enough to assure the operation of this Government as an instrument by the people and for the people. The public-housing bill, perhaps more than any other piece of legislation, will rescue millions of our citizens who are now doomed to despair in the slums of this Nation, from continuing to exist as they have lived in the past. It offers an opportunity for them to live decently and gives hope that their Government does in fact recognize their plight.

I understand that an amendment will be offered which will reduce the amount of housing from 1,050,000 units to be constructed over a period of 7 years, to 810,000 units to be constructed over a period of 6 years. I would have preferred the provision as it now exists rather than the amendment, but in view of the fact that the assertion has been made that the Senate is committed to the lower number and under no circumstances will recede, I shall support the compromise in order that we may be assured of passage of this bill.

I certainly urge passage of H. R. 4009 by a large majority.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. TAURIELLO].

Mr. TAURIELLO. Mr. Chairman, today, when H. R. 4009 comes before the House for consideration and debate, I intend to carry out my pledge made during the campaign in the fall of 1948 when I sought election to Congress, that I would support legislation for slum clearance and low-cost housing.

All during that campaign, I made my position very clear and since I assumed my duties as Congressman from the Forty-third District of New York, I have on several occasions reiterated that pledge.

When members of the real-estate lobby called at my office a few weeks ago, I minced no words and told them very frankly that I was going to support H. R. 4009 because there is a dire need for public housing and slum clearance and that the citizens in the low-income brackets of the richest country in the world were entitled to decent homes in which to live.

It is my opinion that private industry has failed to provide homes within the reach of families in the low-income group and, when private capital fails, then I

maintain it is the duty of our American Government to see to it that our citizens are adequately housed.

The real-estate lobby has raised the cry that the cost will be tremendous and too heavy for the taxpayer to bear and that this legislation is "socialistic." The real-estate lobbyists have distorted the figures to serve their own purposes and needs in an attempt to defeat this legislation and to stir up the people against it.

Now, let us see what the real cost per unit is going to be. The real-estate lobbyists, for their convenience, have purposely distorted these figures by taking the maximum figure of \$2,500, multiplied it by five rooms and added \$2,500 for land and utilities in order to arrive at their claim that all units built will cost over \$15,000. Even at the high cost of construction today, and costs are dropping, very few housing projects, if any, even in the highest-cost areas, will require an expenditure of this amount per unit. This figure over most of the Nation is utterly absurd.

Early this year a group of representative builders who built housing projects under the 1937 act were asked to submit figures as to what the current cost of duplicating these projects would be. Their replies ranged from less than \$1,250 per room to \$2,250 per room, and two-thirds of this group were below \$1,750 per room.

The true facts are that the amended H. R. 4009 calls for the construction of 810,000 dwelling units at an average cost of \$8,465. The language of the bill is plain and requires the utmost economy and simplicity in the standards of construction and consistent with providing durable and decent homes.

The construction costs will naturally vary in the different parts of the country and the bill provides for a normal ceiling of \$1,750 per room. This amount will be sufficient to meet the costs in most parts of the country but in order to meet the high costs in some parts of the country the bill provides maximum cost per room of up to \$2,500.

In his message to the National Housing Conference, Senator TOBEX, of New Hampshire, a Republican, had this to say regarding cost:

Since this bill has been under study and discussion, going back 4 years ago, I have heard a lot about costs. We have been told that this bill may cost from \$13,000,000,000 to \$16,000,000,000 over a period of 40 years. That is nearly as much in 40 years as we are contemplating spending on military needs in 1 year today. The latter we must spend to protect our freedom to have homes and to enjoy them. The former is designed to provide homes that we can enjoy and that are worth such a defense.

As you move ahead with this program, you must think about these costs, but you must think also about your mission of eliminating the slums that drain off the revenues of the citizens and that create untold losses in human resources. I have heard of the high costs and rates of crime and disease that mark the slum areas of our cities from coast to coast.

I have heard that the slums are costing the city of Newark \$14,000,000 annually. I have heard that in Atlanta, Ga., slum areas contributed 5½ percent of that city's property but cost 54 percent of its police, fire, health, and other service costs. I have heard that

in Cleveland the per capita deficit of a slum area was \$51.10—at prewar prices. I have heard that in St. Louis tax delinquents ranged from 25 to 40 percent in slum areas, compared to 2 to 5 percent in newer districts.

I have heard that in Chicago a slum area of less than 3 square miles, chiefly because of bad housing, accounted for 21 percent of Chicago's murders, 12.3 percent of its robberies, 24.9 percent of its rape offenses in the years 1943, 1944, and 1945.

With regard to the real-estate lobby's contention that this is socialism and statism, this type of propaganda is completely false and far removed from the truth.

Let us see just how socialistic public housing really is. Are any of these—Federal aid to agriculture, the construction of highways, reclamation and flood control, the construction of power dams to supply various sections of the country with cheap power, rural electrification, Federal insurance of small bank depositors, social security and old-age assistance, and many other numerous types of Federal aid—are these socialistic?

If the real estate lobbyists and others do not consider the above-mentioned types of Federal aid socialistic, how can they consider H. R. 4009 to provide for slum clearance and low-cost housing to be socialistic? They certainly are not consistent and will not fool the people with misleading propaganda.

On the Senate side, the Republican leader ROBERT A. TAFT, last year one of candidates for President, is one of the chief sponsors of S. 1070 which calls for a similar program provided for in the House bill. Is Senator TAFT a Socialist? In my opinion, he is one of the most reactionary men in the Congress and certainly he would not want to be tinged with socialism in any form. Are the 24 Republican Members of the United States Senate who voted for the Senate bill Socialists?

Last year, the Republican platform contained a plank calling for slum clearance and low-cost housing and Mr. Dewey advocated such a law. I am sure he cannot be accused of being socialistic.

Under H. R. 4009, the Federal Government would not be given the power to dictate to any State or local municipality. The decision with regard to whether or not any community desires to participate in the public housing program rests solely with that community. Surely this shows without any doubt that the Federal Government is not trying to interfere in or control local housing problems or to force anything on local municipalities.

Participation by communities in either the slum-clearance program or the low-rent public-housing program would be entirely at the option and initiative of local governments. Projects would be locally planned and locally executed. The role of the Federal Government would be restricted to the provision of financial assistance, the furnishing of technical aid and advice, and the administration of statutory requirements to assure that the intent and standards of the law are faithfully observed.

Neither is there anything in the bill that would threaten or undermine the position of private enterprise in housing. On the contrary, there is much that would strengthen it. The declaration of

national housing policy stipulates that private-housing enterprise shall be encouraged to serve as large a part of the total need as it can and that governmental assistance should be utilized to the extent feasible to enable private enterprise to serve more of the total need. The slum-clearance title requires that the plans for redevelopment of slums or blighted areas afford maximum opportunity for participation by private enterprise. The public-housing title requires a gap of at least 20 percent between the upper-rental income limits for admission to public housing and the lowest rents at which private housing is providing an adequate supply of decent housing, new or old, for rent or sale in the locality involved, thus assuring no competition between public housing and private enterprise. Under the farm-housing title, loans would be made only to those farmers who are unable to secure credit from other sources at terms within their paying ability. Finally, a primary objective of the Federal research program is to place the private-housing industry in much stronger position to serve a much broader market than today through improved methods and organization.

The powerful real-estate lobby did not oppose the Congress in appropriating billions of dollars to aid and rehabilitate war-stricken countries and a good percentage of this money will be used to build homes for these European people. This lobby was conspicuous by its absence and, as a matter of fact, they favored the appropriation of these moneys to be used for this purpose. They made no complaints about the tremendous cost to our taxpayers. Is it socialistic to spend the United States taxpayers' money to build homes for people in these European countries? Where does socialism begin and end?

It is my contention that if we can appropriate moneys to maintain and build homes for people in foreign lands then I feel that we can spend money to build homes for our American citizens to whom we owe an obligation. I feel that we must think in terms of taking care of our people first and I am going to vote for H. R. 4009 notwithstanding the terrific pressure the local Buffalo real-estate lobby is trying to bring to bear on me. I am more determined to support it now because of the false propaganda this lobby has been using and because of their use of misleading figures in their arguments to the general public.

I am also going to support legislation to give our people adequate old-age pensions, to extend social-security benefits so as to cover a greater number of people, small-business men, the grocer, the butcher, the small-store operator, and others. It is my firm opinion that all this legislation is for the good of the economy of this country and the general welfare of the people. Private capital has failed to supply adequate housing to meet the needs of the country and therefore I feel that the Government should step in and fill that need.

MR. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [MR. KENNEDY].

MR. KENNEDY. Mr. Chairman, I want to take this opportunity of recording my unqualified support of H. R. 4009, a bill which would help meet the need for low-rent housing in this country.

That such a need exists there is no question. For over 4 years now the Congress of the United States has been studying and investigating the facts of the housing shortage in the country. The facts are plain.

The delay in enacting this legislation has been paid for in the unhappiness and misery of the people living in the slums of this country, by the disillusionment of homeless veterans. With the substantial growth in population since 1940 the inadequacies in housing become more glaring.

In my district in eastern Massachusetts the need for slum clearance and low-rent housing has become aggravated with increasing unemployment.

Since I have been in Congress I have supported the passage of adequate housing legislation. I hope and I am confident that this House will enact into law this bill before us.

MR. SPENCE. Mr. Chairman, I yield 15 minutes to the gentlewoman from Connecticut [MRS. WOODHOUSE].

MRS. WOODHOUSE. Mr. Chairman, the arguments against this bill fall into 4 groups:

First. It is not needed. The housing shortage is disappearing, or, less strongly put, it can be met by private business and rehabilitation of deteriorated housing.

Second. It will permit undue interference by the Federal Government in local affairs.

Third. It will cost more than the Federal Government can afford and will also be an unreasonable expense to local governments.

Fourth. It will provide housing for only a small percentage of the people who need decent housing and therefore is unfair. Moreover, it will injure the morale of the few who can find a place in the public housing projects and is "socialistic" and/or "communitistic."

Facts prove each of these four types of arguments against the bill to be fallacious.

First. There is still a definite shortage of decent sanitary, low-rent housing. The market for houses in the \$10,000 and over class is drying up. But in lower-cost housing there is still overcrowding, still doubling up, still occupancy of dwellings quite unfit for habitation.

A bureau of the Census survey in April 1947 showed some 6,100,000 nonfarm homes which do not meet the generally accepted minimum standards of adequate housing and 1,400,000 farm houses in need of major repairs besides many others which lacked even running water.

The same survey found overcrowding (more than 1.5 persons per room) in 6.17 percent of all dwellings, 9.9 percent of rural nonfarm dwellings, 7.8 percent of farm dwellings and 4.4 percent of urban dwellings.

Figures for new buildings clearly indicate the situation has not been met. In my own small State of Connecticut, one of the richer States, there are still

37,000 families in slum houses, an estimated 22,000 families doubled up with relations or friends. Last year there was a net gain of 10,000 new families. The Dodge report showed 7,084 homes started by private builders and since December, 1948, home building has dropped off steadily. Thus the new building did not even care for the new families let alone care for the backlog of need.

In New York City on Monday the papers reported 32,000 persons making application for 2,140 units in two new projects of the New York City Housing Authority to be open in September.

New building has not met the needs of low-income families for decent housing.

Rehabilitation of deteriorated dwellings and enforcement of the municipal sanitary codes has been seized upon by opponents of public housing as the answer. One wonders why this program has not been undertaken more widely and why it was not undertaken long ago. The Baltimore plan is without question a real achievement, but the mayor of that city himself points out that it is a palliative and not a solution, and that while the houses have been improved, rents have gone up.

The public health authorities over the country have been interested in this plan for enforcing sanitary codes and compelling repairs but as Dr. Scheele, Surgeon General of the United States Public Health Service, says, "Although a considerable amount of substandard housing may be improved by alterations there remain large sectors of housing so bad that it cannot be made healthful without wasteful and in the end ineffective expenditure for renovation."

The Baltimore Sun which largely initiated and vigorously backed the plan, in an editorial April 22, 1948, clearly stated:

The beautiful picture presented by the home builders should be toned down a bit . . . it is neither providing much-needed minimum housing nor gradually ridding the city of its blighted areas. . . . The slum clean-up campaign has brought about the replacement of windowpanes and plaster in some areas, improvement of sanitary conditions to some extent and compelled landlords and tenants alike to clean out rat-infested cellars and back yards. But the overcrowded substandard buildings remain exactly that. . . . There was more juvenile delinquency in Baltimore last year than in the previous year. . . . The number of new cases of tuberculosis, another byproduct of slum conditions, also increased last year. . . . Housing law enforcement is not slum clearance and nothing will make it so.

Yesterday the gentleman from Massachusetts [Mr. MARTIN] pointed to what has been accomplished in Georgetown in the Nation's Capital. I grant you it has been a remarkable job of slum rehabilitation and also of slum family displacement but not of slum family rehousing. I have redone two Georgetown houses. Some of you Members know Georgetown sale prices and rents. They hardly seem to fit into a discussion of low-rent housing.

Second. The bill requires basic action by the local community before the Federal Government can take a single step.

The local government, through its local housing authority must request Federal assistance, make its own plan for slum clearance and public housing, choose its own architect, send out invitations to private contractors to bid, select its own tenants and manage its own project. The Federal Government gives technical and financial assistance.

Private builders cannot afford to clear slums. The land is too expensive in comparison with open tracts which are available. But after the local authority has cleared the slum it must according to the bill afford maximum opportunity for private enterprise and may sell or lease the cleared area or undertake to erect public housing. The work is done by private contractors.

The entire proposed public housing program will care for less than 10 percent of the needed dwellings over the next decade. It will compete with slum housing. Its purpose is to get rid of slum housing. Since 19.7 percent of American families have incomes of less than \$2,000 and 30.3 percent less than \$2,500 the average rent including utilities must be under \$30. The average rent for substandard housing is \$28.50 per month. But with the requirement that there must be a gap of 20 percent between the upper rental limit for admission to public housing and the lowest rent at which private owners are providing an adequate supply of housing, new or old, for sale or rent in the locality, only families who could not pay even the lowest private rents will be allowed to live in the public housing projects. Thus there is no competition with decent private housing. There is an adequate supply of building materials and of labor.

The Federal Government will not interfere with the State or locality nor compete with private builders or landlords. After all, why such expression of anxiety? We have had public housing for over 10 years. There are 42 States and some 600 local communities with provision for accepting Federal aid and the mayors' conference and individual mayors are backing this bill. Projects under the 1937 act are in operation in 265 cities in 39 States with 170,100 units costing \$797,000,000. These are not only big cities which some say they fear will get all the forthcoming public housing. More than 70 percent are under 50,000 population and 100 of the cities are under 25,000. The Housing Administration states categorically that the same policy of considering applications from all States and from small as well as large cities will not be changed in any way.

Third. As to the cost, the oft-quoted figure of \$19,000,000,000 to \$20,000,000,000 was arrived at by adding loans—actually repayable—maximum grants, and maximum annual contributions and multiplying by 40 years, the maximum period for amortizing a project. The Bureau of the Budget figures the cost at \$10,000,000,000, possibly \$9,000,000,000. Under current financing the life of the loan will more likely be 29 or 33 years and not 40 years. Moreover, under the present program authorized by the United States Housing Act of 1937, the actual contri-

butions paid by the Federal Government have amounted to only 58.5 percent of the amounts authorized.

In 1948 the New York City Housing Authority legally could have collected a maximum of over \$3,255,000 in subsidies from the Federal, State, and city governments. Actually it claimed only 41 percent of that amount.

Nor are construction costs of public housing high. The average cost for 1938-48 was \$4,685 per unit which compared very well with private building especially since most of the public housing projects were in cleared slum sites, had their own utility distribution systems and were of fireproof construction.

In the current bill the cost of \$2,500 per room so often quoted as the proposed cost is the top limit for notably high cost localities and not the cost which will be incurred in most projects. The Joint Committee on Housing found the operating cost in public housing projects compared favorably with the best results of private enterprise.

As to the tax loss to local communities, it is interesting to note that it is opponents of public housing and not the Mayors who make the complaint. The payments in lieu of taxes were not and should not be the equivalent of full local taxes on the improved site and buildings. The community should make a contribution to the subsidy needed to achieve the low rents. The local communities have nearly always elected to pay their 20 percent of the Federal contribution in the form of tax exemption.

It might be mentioned that the Metropolitan Life Insurance Co. was granted the right for 25 years of paying to New York City on its Stuyvesant Town project, not the full tax on the new buildings, but the taxes which had been assessed against the old slum properties which had been cleared away.

Slum clearance may actually save the city money. Slum housing comprises about 20 percent of the residential units and yields about 6 percent of the tax revenue. The slum areas take on the average more than half the medical and institutional care, half of the time of police, a third of the time of the fire department and most of the welfare department's time. Slums represent private enterprise at its worst and are without question subsidized by the taxpayer.

Fourth. It is argued that public housing is unjust because it will provide homes for only a small percentage of the population who need homes. Not all of us ride on airplanes, or with the merchant marine, but that is no argument against their subsidies.

Or the argument runs that public housing does not serve those who need it; that there are not enough welfare families in the projects and too many with large incomes.

As a matter of fact, in some projects welfare cases have run up to 23 percent and 24 percent of the total residents. This is too high. Public housing projects must not become a modern version of the poorhouse. About 10 percent of such families can be absorbed and helped.

At present five-sixths of the local housing authorities have a maximum limit of \$2,200 family income or less. True, there are families in the projects with higher incomes. Under an act of Congress in force up to last August they could not be evicted when it would cause hardship, but they are being moved out as many of us must know from our mail.

In a project I know well, in New Haven, a family with two children may have a maximum income of \$2,484 per year and pays \$45 per month for four and one-half rooms. Admissions are passed on by a board made up of representatives of the Council of Social Agencies, Department of Welfare, labor, Negro, and citizen groups and the Housing Authority staff. Knowing the right people does not help if the family does not meet the requirements. Our Connecticut local housing authorities are not in politics.

Contrary to the implications of the opponents of the bill, careful provision is made for families living in slum areas to be cleared. Federal assistance is available to clear areas predominantly residential in character or where redevelopment would be primarily for residential use, but always provision must be made for temporary shelter for displaced slum dwellers and for permanent, safe, and sanitary dwellings at rents they can afford to pay. The new dwellings need not be on the old site. The locality has the right to make a comprehensive plan for its development.

It has been said on this floor that slums are made by people. It is true slum dwellers often have undesirable habits. But what else could be expected, especially of adults born and brought up in a slum environment? Slums too often make undesirable people and are costly to the community. They are costly in bad health, poor physique, and high morbidity rates.

A higher proportion of rejectees by draft boards were from the slums than from any other section of the population. Studies show the infant mortality rates 5 to 6 times as high as in the better neighborhoods. Dr. Scheele, Surgeon General of the United States, emphasizes the fact that the quality of housing bears a direct relationship to health. Overcrowding results in a high incidence of pneumonia and tuberculosis, and communicable diseases. Slums have a high rate of home accidents. There are proportionately more people killed and maimed each year in slum dwellings than in others. The incidence of mental disorders and of mental deficiency is higher. Slums with dilapidated buildings infested with rodents and insects breed disease and spread disease. A study of New Orleans showed that 49 percent of the city health budget went into the slums which contribute 5 percent of the city's tax receipts.

The ultimate effect of dirt, noise, poor sanitation, lack of fresh air, lack of sunlight, of space, of privacy, is poor health, mental and physical, and expense in medical care, hospital, and institutional care, and welfare expenditures by the city.

Juvenile delinquency is from 10 to 20 times as high in slum areas as in better

residential sections. Overcrowding in the home causes tension and disagreements, sends the children to the streets for recreation. A study made in New Haven, Conn., of 649 children 7 to 17 years of age from 317 families showed 3.18 per 100 children delinquent in 1924-44, when they lived in the slums. This was reduced by $\frac{1}{2}$ to 1.6 percent during the $2\frac{1}{2}$ to $4\frac{1}{2}$ year period 1940-44 when these families moved into a public housing project with more room and recreational and play space.

H. R. 4009 emphasizes better family living. Terms such as "suitable living conditions," "livability of housing accommodations," "dwellings adequate for family life" all recognize the part housing plays in providing conditions under which sound family life can be developed. Slum clearance and rehousing are directed toward improving family life. We are dealing with much more than mere physical rebuilding of a city.

Slum clearance and good, low-rent public housing will pay its way in direct monetary savings and in indirect improvements in the stamina and character of the citizens. If we use the figures of excess cost of slums in poor health, police and fire protection and juvenile delinquency we can get some idea of the gains of slum clearance. In Newark, N. J., it was estimated that the clearance of slums and moving the families to public housing saved \$33 per year per family in municipal costs. If the program before us rehoused 850,000 families, and it will rehouse more because public-housing project tenants are not permanent, this would mean on the basis of several studies of existing projects, 3,000 fewer deaths from tuberculosis each year, 2,000 fewer deaths from pneumonia, more than 2,000 fewer infant deaths and a monetary saving of \$25,500,000 per year in municipal outlay for medical care and public health, fire, police, and juvenile delinquency costs. It would mean, further, gains in worker productivity and, most important of all, gains which cannot be valued in dollars but only in terms of human well-being and happiness.

People will not lose morale and become helpless dependents of the State if they have decent, low-rent public housing as opponents of the bill have claimed they fear. Anyone who has known the valiant struggle of the mother in the slum tenement to keep the place clean, to bring up her children to be sturdy, fine citizens knows the quality there is in so many of these disadvantaged families forced to live under such poor conditions. And anyone who has seen such a mother brighten, gain her health and look years younger after she and her family have moved to a clean, well-arranged, well-equipped public-housing apartment, knows this claimed fear of statism has no place in a discussion of this bill. Surely most of you have shared the experience I have had of going about a three- or four-room apartment in a public-housing project with the new occupant and being shown the wonders of a shiny bathtub, a place for the dishes, a place, all his own, where Johnnie can keep his things, the miracle

of a broom closet—all just such everyday matters in your life and mine that it makes one ashamed that they could mean so much to another fellow American.

Nor will these families just stay on the project forever as has been suggested. Again may I illustrate a general situation by specific figures from a New Haven public-housing project. Between 1941 when the project opened and 1947 when the study was made, there were 487 families in residence. Of these, 116 Negro families, 37 percent of their total, and 102 white families, 61 percent of their total, moved out. Of the 265 families who had not moved, 110 were low-income families whose wage earner was in an occupation where there was little hope of an increase in earnings, 13 were recipients of old-age assistance, and 11 of aid to dependent children.

These projects have an educational value. Families move into them from the slums, learn better ways of living, better community habits, learn to want better things, and to want their own home. From the same New Haven project I could give you stories of couples who have saved and bought a little house and with the aid of their project neighbors improved it into a really good place.

We do not need to be afraid of giving the American family a chance. We all still want better things and will work for them if we have half a chance.

The list of organizations supporting this bill for slum clearance, public housing, and betterment of farm homes reads like a roster of respectability, not of Socialists or Communists. Surely they could not all be deceived—not the veterans' organizations, American Legion, AMVETS, Catholic War Veterans, and so forth; the National Association of Parents and Teachers, the National Grange, the National Conference of Catholic Charities, the National Conference of Catholic Women, the National Council of Jewish Women, the Council for Social Action of the Congregational Christian Church of the United States of America, the World Council of Church Women, the Women's Division of the Methodist Church, the National League of Women Voters, the CIO, the A. F. of L., and so on—all organizations whose members are good, substantial citizens who have learned that the best way to help people is to give them the opportunity to help themselves, and that at times the taxpayers' money can be saved by spending some money in order to provide such an opportunity for self-help as slum clearance and public housing give to the slum dweller to better himself, his children, and his community.

Further would the Guaranty Trust Co. of New York and other great banks be asking for section 502 which gives banks the right to invest and deal in the housing bonds if they thought that such housing would undermine our political and economic structure? Certainly not; and these institutions have some of the best brains in the country working for them.

The answer is so obvious that the cry of socialism, of statism, becomes absurd. Surely we in the House of Representatives know the situation as well as do

these banks and the members of these organizations, and surely we likewise will back this bill and pave the way for slum clearance and for the rehousing of these slum families in decent low-rent public housing which private enterprise cannot afford to provide. By so doing we will be saving in municipal expenditures, saving in human lives, saving through the physical and moral betterment of the oncoming generation of citizens, and, at the same time, will give work to private contractors and provide one element in stabilization of the building industry and in the entire current economic situation.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BROWN of Georgia. Mr. Chairman, I also yield the gentleman 5 minutes.

Mr. BURDICK. Mr. Chairman, I do not find myself in full agreement with the party I represent here in Congress. Of course, this is nothing new to announce because occasionally I do not agree with the orthodox Republicans.

The bill we have before us at this time is neither socialism nor communism.

The record of my family in America dates back as far as any of them, I believe. From the year 1634 to the present moment we have taken part in the building of this great Nation.

What was confronting the people a century ago is not the condition that we are met with today. What was enough for the people of a century ago is not enough for the emergencies we meet today as we go along the pathway toward maintaining a democracy.

In this bill the Government is not going into the business of building houses. If it were I do not believe I would support it because when the Government undertakes anything in most any field it is pretty extravagant in the use of the taxpayers' money. But here it does not enter the building program at all. It simply makes funds available so that people can finance themselves. And let me tell you that the question of funds is vital, as I will demonstrate to you.

Mr. Chairman, as I said before, my people came to Massachusetts in 1634. They stayed there for about a century. But soon the interest charges caught up with them and they lost what they had. They moved across the Allegheny mountains into the beautiful valley of the Ohio. There they hewed out new homes in the wilderness and drove the Indians ahead of them and settled where a man's scalp was comparatively safe. Then the investor came along and the interest rates ran from 12 to 24 percent in due time. You can figure it out by the calendar. They were just about 50 years struggling under this interest rate.

They lost what they had. They gathered up what was left and moved over into the valleys of Indiana, Illinois, and Wisconsin, settled anew, fought Indians and hewed out a new home in the wilderness. In due time the interest caught up with them again. In about the year 1840 they lost out in Wisconsin. But suppose they did, what difference did that make? There were millions and millions of acres of vacant land in the West. When these

pioneers lost out, they moved on to a new country.

My people moved on. They moved from Minnesota out into the territory of Dakota where land was free, and there was plenty of it. Those settlements were made there in about 1882.

Now, let us apply that 50-year period again, the 50-year period for which this interest has run from 12 to 24 percent. I know what I am talking about because I have seen my family pay it. At the end of that 50-year period, almost to a day, they lost out in Dakota and all their neighbors lost out. They were foreclosed upon. In the year 1933, when the depression started, those old pioneers lost out, but they had come to the end of the great Free West. There was no West left, no land left; there was no place to go, and there is no place in America where you can go like they used to 150 years ago. We have come to the end of the free land.

Then, what happened? Added to that we had 9 years of drought, the greatest drought ever known in the West. There was nothing growing out there except the trees along the Missouri River. There were sand banks in the towns and villages as high in summer as the snow was in winter. Many of them moved out, but there were a lot of us too poor to move out, and we stayed, and through the instrumentalities of this Government of ours, through low interest rates and assistance by the Federal Government, a great percentage of them stuck it out, and now for 9 years we have had great crops. That great Dust Bowl has blossomed into a garden and those who remained own their homes and they have bank accounts.

I was asked on the floor of this House years ago when we requested appropriations for this purpose, "Why don't your people move out of that no-good country?" We could not move out. We built our homes and our churches and our schools and our cities and our institutions and we stayed. Let me say to the Members of this Committee that if it had not been for that innate desire in the breast of every human being in this world to own land and to own a home, that great Dust Bowl would have been destroyed. I think there are Members on this floor today who remember what was said when this Congress appropriated money to rebuild these farms in North Dakota, South Dakota, Montana, Kansas, and Nebraska: It was socialism. Out of the \$72,000,000 that they put into the reconstruction of homes in North Dakota \$71,000,000 has been paid back, and they have not been charged with that interest rate that was so ruinous to all, that ruined us from the Alleghenies to the Pacific coast. This Government has seen fit to destroy that great interest octopus that works at night when the farmer is supposed to sleep.

You say to me that private enterprise could do the job. Well, the largest city we have in North Dakota has only a population of about 35,000. The slums in that city have remained there for the last 60 years to my knowledge. Private industry does not want to eradicate them but the people of the city would like to see them taken out, and under

this bill you can do it. Under this bill the Government will finance on a rate of interest that they can afford to pay. Does anybody here think that you are giving away this money? Does anybody here think that you will not get most of it back?

Those who say you will put in over a billion a year have not stopped to figure how much you will recover every year in payments.

I say to you that the question of ownership of land is the one question that agitates this whole world today. The question of ownership of land is a question which agitates Europe, which fomented revolution and war. If the people of those countries could own some land they would be content, but they cannot get the land. It is in the hands of those who cannot use it. England has recognized this and now is developing those great hunting fields, and those large lord estates so common to English history are being utilized by the people who can use that land.

Here in America we are all on an equality under the Constitution. We are supposed to enjoy life, liberty, and the pursuit of happiness. If you will pin that down with ownership of land, you need not be afraid of communism or any other kind of ism, but just as soon as you starve the people into wanting land that they cannot get, you had better prepare to defend yourselves against Communists. The ownership of a home which the farmer can get under this bill, the ownership of a home which the man in the street can obtain under this measure, is that which will build America.

I heard the crocodile tears here about what this is going to cost, but those who made those speeches yesterday were the same men who voted billions to Europe. Does it cost too much to build homes in America?

Under this bill, the farmer is given a chance to again own his home, through low-interest costs and is enabled to improve the one he has. All people in the United States, every family, should be given a chance to own their own home—if they want it, and when you stake down democracy with homes, this democracy will continue through the ages. Take away this opportunity to own land, and this democracy will go the way other democracies have gone in the history of the past. The dusty pages of history show many examples of democracies which once existed but perished, perished because those who husbanded the soil were denied that opportunity to own land.

This plan of home ownership will do more to preserve this Nation than all the billions we can send abroad or use up at home in military protection. Let no one say this costs too much—can it cost too much to preserve the United States of America?

Mr. BROWN of Georgia. Mr. Chairman, I yield 8 minutes to the gentleman from Michigan [Mr. O'BRIEN].

Mr. O'BRIEN of Michigan. Mr. Chairman, I am in favor of this bill and I am in favor of it in the form in which it was reported by the Committee on Banking and Currency. I am opposed to the sug-

gested amendment to cut it 20 percent, to subtract 200,000 dwelling units. I think some sentiment developed about that suggested amendment. It is based on exaggerated estimates of the annual rent subsidies to the localities under the public-housing program. I wrote to the Commissioner of the Public Housing Administration and got this reply, dated June 14, 1949:

This is in response to your request of June 7, 1949.

There are now 193,798 units in the United States Housing Act program. All but 19,914 are owned by local housing authorities. During the calendar year 1948, annual contributions paid on these projects amounted to \$3,718,825.

Thus it is revealed that these exaggerated statements about the size of the annual subsidies are grossly out of line with the truth. I suggest to the Members that each one make his own personal investigation and inquiry on that subject before he votes to slash this bill by 20 percent. You can get the information from the Federal Public Housing Authority. I hope that amendment is not carried and that the full program as recommended by the Committee on Banking and Currency of 1,050,000 housing units is ratified by the vote of this House.

I voted before for legislation of essentially the same character as this. That was the United States Housing Act of 1937. There is no principle involved in this legislation; there is no machinery in regard to the Federal subsidy and the cooperation between localities and the Federal Government which was not involved in that legislation. It carried in the House by a vote of 275 to 86. It carried by an overwhelming majority of 3½ to 1. Statements were made by some Members which did not carry weight, evidently, with the majority at that time, and were of about the same character as the statements made here in regard to the pending legislation. Among those who voted for the United States Housing Act of 1937 which is essentially the same in principle and character as this bill, except that this is larger in scope, were such men as Hon. Fred Vinson, then a Member of the House of Representatives and now Chief Justice of the United States Supreme Court. Certainly he is not a Socialist. There were such men as the late Hon. William B. Bankhead, former Speaker of the House of Representatives. As you know, usually the Speaker of the House does not vote unless he asks the Clerk to call his name and so records his vote. Speaker Bankhead at that time voted for this legislation. We all know that he was not a Socialist. Hon. Henry B. Steagall, then chairman of the committee, presented the bill to the House; also the ranking majority member of the Committee on Banking and Currency at that time, and who is now the ranking minority member of the committee, the gentleman from Michigan [Mr. Wolcott], made an able and eloquent speech defending the principles of the United States Housing Authority Act, which is the same in principle as this bill. The gentleman from Michigan [Mr. Dondero] voted for it; and the gentle-

man from Michigan [Mr. Engel]. All the Democratic Members of the House from Michigan at that time voted for the United States Housing Act of 1937. There is no difference in principle. If this is socialistic, so is that act. I do not think it is socialistic. I am sure it is not. I am not a Socialist. We are confronted with a housing crisis. We cannot vacillate in this kind of legislation. If we do not solve it this way there has to be some solution to it or the country will be in a chaotic condition in the next few years. I am not convinced by the formula suggested by the minority leader who, in his statement yesterday, said that after all, people are not going to get married any more like they used to, and that if they do, they can double up and he pointed out that he knows of a vacant house in Attleboro, Mass., which is to rent for \$25 a month.

During ample hearings there was presented to the committees of the Senate and of the House of Representatives testimony that convinced the majority of us. Testimony for instance from the United States Bureau of the Census, which has been repeated in different hearings and never contradicted, that by the year 1960, which is only about 10½ years away, we will need a minimum of 15,000,000 additional non-farm-dwelling units in the United States. This bill does not undertake to fulfill that need. This bill just undertakes to provide a means by which the poorest income families in the United States up to the limit of a million shall be able to find a place to rent. They do not get it free, they pay rent. Private finance, without the machinery provided for in this bill, will not enter the field. That has been proven. It is before our eyes. Observation and experience prove that to us. They are not undertaking to build homes for families in that low-income group. Hence the slums and squalor and all that goes with slums and the public loss that is involved.

Then gentlemen cite the Constitution. If it is constitutional for us to rehabilitate the cities of foreign nations and even the cities of our former enemies in the last war, certainly it is constitutional to cooperate with our local governments in a practical plan by which the slums can be eliminated and the needed buildings and projects constructed.

The provision regarding slum clearance is that the Federal Government makes available the sum of \$500,000,000 to be expended in contracts with cities over a period of 5 years. The Federal Government does not do the whole job. It cooperates with the cities. This is the way it works: The cities have wanted to clear these slums and use that land in a proper way, but there is a limit to what they can spend. The excess over that limit, or that differential, in order to obtain the construction that is needed, is where the Federal Government steps in and says, "We will give to the cities, if they adopt this plan of slum clearance, up to the limit of two-thirds of that differential, or two-thirds of the net project cost in order to clear the slums."

That is not given away. There is something done with it. There is en-

richment to our cities and enrichment to the Nation.

In regard to the public-housing feature, the Federal Government sets up a billion and a half dollars revolving fund for loans, which are paid back by the municipalities.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. O'Brien] has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. Garmatz].

Mr. GARMATZ. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GARMATZ. Mr. Chairman, I am very glad that we are finally being given the opportunity to discuss the housing bill on its merits. The housing situation is still the Nation's No. 1 problem and I am convinced that H. R. 4009 is the only means of securing decent homes for low-income families, now living in crowded, unhealthful, slum conditions.

It is true that the number of houses built during the past few years has exceeded all previous building records; but only a small proportion of those houses were sold or rented at prices that the majority of our families can afford. I am a firm believer in the system of free enterprise, but in this particular field, free enterprise has been unable to provide a solution for the housing shortage. This may be partly due to the fact that private builders are not interested in building low-cost housing because of the low profit in such work. That is readily understandable, but that does not help the situation. Slum conditions and the housing shortage are steadily growing worse, and only assistance by the Federal Government, such as advocated in H. R. 4009, can alleviate the conditions.

Last week I received a letter from the chairman of the Housing Authority of Baltimore City, which I want to insert at this point, calling attention to the dire need for this legislation to help solve the problem in Baltimore, and I know that similar conditions prevail in a great many other localities. The letter follows:

HOUSING AUTHORITY OF
BALTIMORE CITY,

Baltimore, Md., June 14, 1949.

HON. EDWARD A. GARMATZ,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN GARMATZ: I am writing you as chairman of the housing authority, and on behalf of the other commissioners of the authority, to request that you give your support to H. R. 4009, the General Housing Act of 1949.

There is an acute need in Baltimore City for additional decent dwellings for low-income families. Studies conducted by this authority indicate that at least 50,000 dwellings in the city are in such deplorable condition that they should be torn down and replaced. Many thousands of these dwellings, unfit for human habitation, are now being occupied by more than one family. Private home building has been proceeding at a comparatively high rate but only for the benefit of upper-income groups. There has been no increase in the supply of dwellings, old or new, available to present slum dwellers.

The existence of this enormous unfulfilled need is dramatically demonstrated by the applications received by this authority. We now have approximately 20,000 applications on file. Over 8,000 were filed in 1948 and so far the 1949 rate is even greater than last year. A check of recent applications indicates that virtually all families applying live in substandard housing and that one in every seven is facing eviction. Two-thirds of all applicants had family incomes below \$2,500. During 1948 we were able to place only 844 families in our existing low-rent projects. The average income of these families was only about \$1,400.

Statistics are often cold and meaningless. A clearer conception of the difficulties confronting Baltimore's low-income families can be gained from the very many letters we receive pleading for assistance. A few of these are quoted on the attached sheet. (Since these communications are regarded as confidential, identifying names and addresses have been deleted.)

In the face of this crying need I am appalled by the irresponsible and misguided nature of the opposition to H. R. 4009. I do not want to take your time to make a detailed rebuttal of all of the opposing arguments, but let me quickly mention just a few:

1. It has been said that public housing is in competition with private enterprise. The average family income of all families living in low-rent projects operated by the Housing Authority of Baltimore City is \$1,742. (This includes the very small proportion of families with incomes over our limits who are being moved out as fast as local circumstances permit.) Can private enterprise supply decent housing to families of such incomes? Everyone knows that it cannot. How, then, could we possibly be competing with private enterprise?

2. It has been said that public housing is socialism or communism. Such an argument is pure poppycock and an insult to the intelligence of the American people. Does anyone seriously believe that if this charge had even a grain of truth, the bill would be supported by all of the veterans' organizations, by all of the major religious groups, by both Republicans and Democrats, and by 4 out of 5 Senators?

3. It has been said that public housing is not necessary, since slums can be eliminated through the operations of the so-called Baltimore plan. Everyone connected with the Baltimore plan knows that this is simply not true. The Baltimore plan helps to a limited extent, but the dwellings still remain slums. Furthermore, the Baltimore plan cannot eliminate overcrowding or create an additional supply of low-rent dwellings.

4. It has been said that the bill is too costly. The cost estimates which accompany such an argument are inflated and exaggerated, as a recent report by the Bureau of the Budget has proved. Furthermore, the alleged costs of the bill are based upon a 40-year period. Any annual cost, no matter how modest, can be made to sound astronomical by multiplying it by 40. And, finally, the costs must be considered in terms of the benefits to be gained. The real question is, Can we afford not to clear our slums? The cost over 40 years of doing nothing in terms of public health, decreased property values, crime, juvenile delinquency, and disease make the costs of the bill seem insignificant. The opponents to this bill are quibbling over the price of a hose while their house burns down.

5. It has been alleged that slums can be cleared without any need for additional public housing through the operations of such agencies as the Baltimore Redevelopment Commission. Urban redevelopment is an essential tool in any comprehensive attack on our slums, but without low-rent public housing it is powerless to act, since it otherwise

has no means of relocating the families now living in the areas marked for clearance.

Public housing is no longer an experiment. It has been tested in cities all over the United States, and it does provide decent housing for low-income families at an extremely modest cost. There is no other method known which does accomplish this result. The present bill is an outgrowth of this experience and is based upon years of study. Every congressional committee in both the Senate and the House which has studied the problem has endorsed the principles upon which this bill is based.

The commissioners of the Housing Authority of Baltimore City, who receive no compensation for their services nor have any interest other than that of public service to their community, respectfully urge you to support the bill in its present form and to oppose any attempt to render it inoperative through crippling amendments.

Most cordially yours,

DON FRANK FENN,
Chairman.

The opponents of this bill have advocated the adoption of the Baltimore plan as a means of curing the slum problem. The Baltimore plan is an excellent attempt at helping to arrest the spread of slum blight. It may improve bad housing, but it cannot turn it into good housing. It cannot eliminate slums. Dr. Huntington Williams, commissioner of health of Baltimore City, has written an excellent article on the Baltimore plan, which I would like to bring to your attention:

WHAT THE BALTIMORE PLAN IS AND IS NOT
(By Huntington Williams, M. D., commissioner of health of Baltimore City; and Wilmer H. Schulze, Phar. D., director of the sanitary section, Baltimore City Health Department)

The great social problem of providing adequate and hygienic housing for the people is inherently so complex because of its economic difficulties that it may be likened to a large dark forest. There are many promising approaches that can be made to solving this puzzling problem, just as one may enter a forest between any two of its trees. Further penetration reveals that the darkness is real, that others who have entered from different directions are also in a quandary but may be sincerely interested in the exploration. To the extent they are aware that success will depend on teamwork and a reasonable interest in helping the people who need better housing, they will become conscious of their natural teammates as they bump into them in the forest. Together they can then go forward toward a clearing where there is some light and a chance to map their courses in a manner that eventually could solve the housing problem.

ONE METHOD—LAW ENFORCEMENT

The enforcement of legislation pertaining to sanitation and nuisances was one of the earliest functions of local health departments. While public health interest in housing in Baltimore City may be found as early as 1850, the use of special health legislation to improve existing unsanitary housing on an area basis is a relatively new undertaking. Experience in Baltimore during the past decade has demonstrated that by law enforcement many existing slums in blighted areas may be made habitable even though the results accomplished do not turn these worn-out houses into a state of real decency.

The Baltimore City health department has chosen to enter the forest by the path of housing law enforcement as an attack on the rock-bottom slums. In 1939 the city health department secured the aid of the city buildings engineer and succeeded under

ordinance in having one of the worst slum spots in the city demolished. A few other rock-bottom slum houses were also demolished or rehabilitated shortly afterwards.

For a period of more than 18 months, which was a crucial time in what was actually an adventure of the city health department into the field of controlling unsanitary housing, an editorial writer on the staff of the Baltimore Evening Sun, who called himself its "Architectural Correspondent," gave superb support. By making personal slum surveys with the commissioner of health and the city welfare director and a press photographer, the slums were taken frequently to the front doorsteps of the citizens on the editorial page of the Evening Sun. This very unusual publicity gave a strong 2-year initial educational public support that can now be seen in its true perspective—it was the essential foundation stone for later success in a relatively new field of public health endeavor. Eventually there was a test case in court and the owner of the slum property involved lost his case and was found guilty of violating the general nuisance abatement section of the city health code.

PUBLIC OPINION SUPPORTS LEGISLATION

In order to give the city health department the authority to develop an effective housing law enforcement program, an ordinance on the hygiene of housing was carefully prepared and enacted. This ordinance received the approval of the mayor on March 16, 1941. It included an all-important section that gave the city health authority power to adopt rules and regulations deemed necessary to make the enforcement of the ordinance effective "for the better protection of the health of the city." Both owner and tenant responsibilities for the maintenance of sanitary dwellings were included in the ordinance and in the regulations that were adopted and promulgated in 1942. The regulations were carefully drawn so as to provide a minimum standard for housing sanitation. During this period, an amendment to the existing rooming-house ordinance was approved on June 28, 1941, and rules and regulations governing this type of dwelling, as well as others to control trailer camps, were also adopted in 1942. The city housing code containing the ordinances and regulations previously mentioned, together with the nuisance abatement ordinance, was published in 1943. In this same year a division of housing in the sanitary section of the city health department was established.

Enforcement of the new ordinance proceeded slowly at first, as had been anticipated. Its legality was challenged by an owner after he was found guilty in the criminal court of Baltimore city. On appeal to the Court of Appeals of Maryland, the judgment of the lower court was affirmed on June 24, 1943, and the constitutionality of the ordinance was established.

During the war period most of the enforcement effort was of necessity devoted largely to the correction of unsanitary and unsafe housing related to the city's large influx of war-industry workers and their families. Experience gained during the war years demonstrated that an enforcement program under normal conditions could achieve much more in the way of satisfactory compliance with the housing code on a block or area basis than by spot enforcement based largely on complaints. Such an area program would not single out individual owners or tenants who would be reluctant to put forth much effort in the way of compliance while other owners of adjoining or nearby dwellings were not required to conform.

AGENCIES COORDINATE THEIR EFFORTS

An opportunity to proceed with enforcement on a block unit area as a trial was presented in September 1945, when the mayor called a conference of city officials concerned with housing and sanitation, at which time

he asked them to coordinate their efforts toward correcting flagrant violations of city ordinances in areas where bad housing and unsanitary living conditions existed. During the fortnight after this meeting the Baltimore City Housing Law Enforcement Committee was organized at the suggestion of the commissioner of health and the city buildings engineer. The committee consists of representatives of the chief city departments that are concerned with the legal phases of housing control. The committee selected a block in the southern part of the city that was fairly characteristic of its sub-standard Negro housing. Representatives of the enforcing agencies—the health department, the buildings engineer, and the fire department—made inspections of each property in the block, noted all existing violations, and compiled legal notices for their correction. These notices were assembled and sent to the owner or tenant and in each instance set a reasonable date for cessation of ordinance violations. In addition, the health department representatives recorded statistical data pertaining to existing housing and sanitary conditions. As a result of this first trial late in 1945 of the coordinated law enforcement program, plans were made to extend it to adjoining blocks and work on a second block was begun in 1946. Progress was necessarily slow in this period, chiefly because of lack of an adequate staff, acute shortages of materials, and the newness of this type of approach toward improving housing and sanitation on an area basis.

Early in 1947, with the guidance of the commission on city planning, the redevelopment commission, and the city housing authority, six areas of the city consisting of about 308 blocks were selected by the housing law enforcement committee as suitable for primary attention. During the same year, the law enforcement committee was streamlined to consist of five persons representing the health department, the department of public works, the fire department, the police department, and the redevelopment commission. Representatives of other official agencies are called upon as specific problems arise. Further to expedite the enforcement program, it was agreed that all original inspections would be made by the city health department. The fire department or the bureau of building inspection is brought into the field work whenever needed. These changes, together with an increase in the health department inspection staff in its division of housing, made possible the expansion of the enforcement efforts in 1947 to include 26 of the 308 additional blocks. This enlarged work includes approximately 900 dwelling units, some for white and some for Negro families, located in four widely separated areas of the city.

HOUSING COURT AND SANITARY POLICE

Another major development was the establishment in July 1947 of a central housing court set up to hear all cases involving violations of ordinances pertaining to housing and sanitation. Formerly, cases of this type had been heard in the eight district police courts along with numerous unrelated neighborhood cases. The housing court is in session two afternoons weekly and has demonstrated the value of having all such cases heard in one court designated for this purpose. A record has been published of the first year's work of this special housing court where a total of 1,596 cases were heard.

Another innovation in 1947 that plays an important part in the city-wide sanitation and housing program was the assignment given by Baltimore's Police Commissioner to a police inspector to organize a group of 16 police officers, 2 in each police district, to devote their full time to the correction of unsanitary conditions and certain housing violations in their respective police districts. Joint conferences are held with them by

the Health Department and the Housing Law Enforcement Committee as the need arises in order to coordinate their activities with those of other responsible official agencies. The 16 sanitary police brought 1,345 cases to the central Housing Court during its first year and during the same period obtained compliance with 18,119 notices issued to correct unsanitary conditions without the need for such court action.

With the expansion of the enforcement program in 1947 there was noticeable evidence of an increase of cooperation and interest on the part of most owners and tenants in proceeding more promptly to comply with notices to cease ordinance violations. Some owners in nearby blocks have been observed making improvements to their properties without receiving notices. In some instances owners have gone beyond the notice requirements in making desirable changes.

The cooperation of all related official agencies is essential in an enforcement program. Such agencies as the fire department, the police department, the department of public works, the bureau of building inspection, the city comptroller, and the welfare department play an important role in specific problems that arise during enforcement procedures.

MANY APPROACHES TO THE HOUSING PROBLEM

Enforcement of the provisions of the city housing code in Baltimore is only one of several approaches to the housing problem. It is not a substitute for other programs such as redevelopment or public housing or the building of new homes on the basis of private enterprise. What needs to be remembered is that these and other approaches to the over-all housing problem each play their part and each may be as necessary as the others. It is possible, however, where adequate preliminary education and publicity can be secured, that the law-enforcement procedure can do much to bring existing slum and sub-standard houses up to a minimum of decency and make them more nearly suitable for human habitation. Beneficial results to persons living in blocks where such law enforcement is carried out include improvements related to health and safety such as additional light and ventilation; replacement of outdoor with inside toilets; elimination of rats, rat-breeding areas, dilapidated wood fences and frame structures; correction of structural defects; elimination of fire hazards; and provision of some recreation space, particularly for small children. Such improvements serve to stimulate the occupants to take pride in home maintenance and sanitation and cannot fail to enhance the general health status of the people who live in the slum areas of a city.

The President's attack on the real-estate lobby for opposing the passage of the housing bill has provoked more propaganda from the National Association of Real Estate Boards, through its president. The Housing Authority of Baltimore, being vitally interested in the passage of this legislation because of their first-hand knowledge of its need, has, through its chairman, sent a letter to the editor of the Baltimore Sun, refuting the statements made by the president of the National Association of Real Estate Boards, and giving the true facts in the case. I believe this letter is worthy of your attention, therefore, I am inserting it at this point:

HOUSING AUTHORITY OF BALTIMORE CITY,
Baltimore, Md., June 20, 1949.
EDITOR OF THE SUN,
Baltimore, Md.

DEAR SIR: In a recently released statement reported on the front page of the Sunday

Sun, the National Association of Real Estate Boards, through its president, Mr. T. H. Maenner, has taken issue with President Truman's attack on the real-estate lobby and has repeated all of its previous charges against the housing bill now pending in Congress. As chairman of the Housing Authority of Baltimore City, I am in a position to point out how completely unfounded are the NAREB's charges and I feel that it is my duty to explain the facts of the situation with particular reference to our present low-rent housing program in Baltimore:

1. President Truman has stated that the total amounts to be spent under the bill will be substantially less than the amounts authorized. The NAREB asks why, if this is true, are not the authorizations in the bill reduced to the level of expected expenditures? There are two good reasons why this cannot be done:

(a) The amounts required for annual subsidies for low-rent public housing will fluctuate from year to year with the general economic level. In depression years more will be needed than in prosperous years. The maximum authorization in the bill would only be needed during years of severe depression; during other years much less would be required. If, however, the authorization in the bill were reduced to the amount required in an average year, not enough would be available for the comparatively few years when Federal assistance was most needed. This point is well illustrated by our experience in Baltimore. Our contracts with the Federal Government provide for a maximum annual Federal subsidy of \$741,720 covering some 4,400 low-rent dwellings. The amount we actually required last year was only \$133,926, or 18 percent of the maximum amount available if we had needed it. Over a period of years it is expected that this percentage will average about 65 percent, but during a bad year we may well require the full amount.

(b) The largest single operating expense for any developer, public or private, is interest on borrowed money. Low interest rates mean lower rents. By making the maximum authorized Federal subsidy large enough to cover our debt service, our bonds will have a high degree of security and will command low interest rates, thus reducing the need for Federal subsidy. By promising to pay out \$16,000,000,000 (over 40 years) if necessary, the Federal Government will actually have to pay out only the \$10,000,000,000 indicated in the President's statement. If the Federal Government reduced its authorization to, say, \$13,000,000,000, it might well have to pay out the full \$13,000,000,000. A high authorization, thus, becomes fundamentally sound economy.

These two simple facts are at the root of the current controversy over the cost of the bill. They explain why the actual cost will be substantially less than the authorized maximum cost and also why the authorized cost cannot be reduced to the expected actual cost without nullifying the purpose of the bill. By choosing to ignore these facts the NAREB has come up with a total cost equal to twice the probable cost.

2. The NAREB charges that the average cost per dwelling under the bill will be \$15,000 or nearly twice President Truman's estimate of \$8,645. The NAREB's figure was computed by dividing its estimate of the total cost of annual subsidies by the number of dwellings. Since, as explained above, its estimate of total costs are about twice the actual cost, its unit costs become correspondingly exaggerated.

3. The NAREB questions the sincerity of the bill's proponents in actually desiring to provide decent housing for low-income families on the score that the bill nowhere defines low-income families in terms of dollars. The bill does contain adequate provisions for insuring that only low-income

families will be admitted. The omission from these provisions of a definition of low-income families in terms of actual dollars was deliberate since any such provision would be administratively unworkable. How does one compute a dollar limit which would be equally valid in all parts of the country and over a period of years? A low-income family in New York City might well be a middle-income family in Alabama. A low-income family today would not have been a low-income family before the war. In view of these fluctuations the exact determination of what constitutes a low-income family must be a matter of local administrative action but the bill is so worded that it would be impossible for any local housing authority to violate the bill's intent. Let me cite Baltimore's record on this point. Families admitted in 1948 to low-rent projects operated by the HABC had an average annual income of only \$1,410. The average annual income of all families in our low-rent projects as of the end of 1948 was only \$1,742. There is no specific dollar limitation on income in the existing legislation covering our present projects yet I feel that even the NAREB would admit that the figures I have quoted represent low-income families.

4. The NAREB makes much of the fact that the bill permits operations on vacant land. Although the NAREB does not so state, the sections of the bill which it quotes pertain to the operations of local redevelopment commissions rather than local housing authorities, and I do not feel that it would be entirely appropriate for me, as Chairman of the Housing Authority, to discuss a matter which more appropriately falls within the jurisdiction of another agency. I would like to point out, however, that no slum clearance is presently possible until new quarters are found for the families now residing in the areas to be cleared, and that in view of the present housing shortage this means that a certain limited amount of new housing will probably have to be provided on vacant land.

5. The NAREB states that low-rent public-housing projects should be constructed only following a local referendum. Again any such requirement would be administratively unworkable. Our Federal, State, and municipal systems of government are based upon our public business being carried on by elected representatives or by the appointees of elected representatives. As pointed out in an editorial in the Sun for April 26, the present bill carries ample provisions for local autonomy by requiring that any local participation must have the full concurrence of the local governing body. The only persons who have advocated local referendum are those who are bitterly opposed to the bill and their sincerity is, therefore, open to question.

6. The NAREB quotes a whole series of statistics designed to prove that there now exists an ample supply of decent housing for low-income families. Apparently we are supposed to be convinced that there are no slums in Baltimore or anywhere else. The citizens of Baltimore know that this is not true and it does not seem necessary for me to make a detailed rebuttal. I might point out, however, that there is now a backlog of 20,000 applications in the Housing Authority's files, most of which are from low-income families now living in substandard housing.

7. The NAREB objects to the fact that public-housing projects are tax exempt on the score that the taxes of other citizens must inevitably be increased. In the first place it can be proved that the cost of tax exemption to the city for this type of program is negligible. In the second place, the NAREB takes no account of the fact that our present slums represent a financial drag upon all taxpayers in terms of excessive costs for such municipal services as fire and police protection, public-health costs, etc. Many studies have conclusively proved that our slums cost the city far more than they produce in revenue and are in effect being sub-

sidized by the taxpayers who live in other areas. If we are to have subsidized housing, let us have subsidized decent housing and not subsidized slum housing. Nor does the NAREB pay any attention to the great loss in human values resulting from our slums—the high rates of crime and disease, the excessive number of juvenile delinquency cases, and the heavy toll of hopelessness and despair.

8. Finally, the NAREB has dragged out again the hoary old chestnut of socialism. The word "socialism" seems to be used too freely these days to disparage any progressive program. The housing bill represents the best possible method so far developed of tackling a problem which must be solved. If it is socialism then so are public schools, public highways, and many other of our accepted methods of performing needed public service. There are far greater dangers to our American way of life in doing nothing about our slums and our housing problem than anything which could possibly come out of the present bill. I cannot regard as un-American any proposal which has the support of every veterans' organization, every important labor organization, all of the important church groups, and a long list of other organizations. The present bill was backed by four out of every five Senators and its principles have been endorsed by every congressional committee which has studied the problem in the last 5 years, including three Republican-controlled committees in the Eightieth Congress. The NAREB is free to regard the housing bill as socialism if it so chooses; personally I prefer to regard it as conservatism in the best sense of the word.

Sincerely yours,

DON FRANK FENN, *Chairman.*

Charges of socialism have been made against this program, but personally I consider our efforts to aid those less fortunate segments of our population as Americanism, not socialism. This legislation has the support of the following national organizations, and these groups can hardly be considered as favoring socialism:

MAJOR NATIONAL ORGANIZATIONS SUPPORTING
H. R. 4009

American Association of Social Workers.
American Association of University Women.
American Council on Education.
American Council on Human Rights.
American Federation of Labor.
American Home Economics Association.
American Legion.
American Municipal Association.
AMVETS.
American Veterans Committee.
Congress of Industrial Organizations.
Council for Social Action of the Congregational Christian Churches of United States of America.
Council for Christian Social Progress, Northern Baptist Convention.
Department of Christian Social Relations, Women's Division, Methodist Church.
Department of Christian Social Relations, United Council of Church Women.
Division of Social Education and Action of the Presbyterian Church.
Family Service Association of America.
Federal Council of the Churches of Christ in America.
Jewish War Veterans.
League of Women Voters.
National Association for the Advancement of Colored People.
National Association of Consumers.
National Association of Housing Officials.
National Association of Jewish Center Workers.
National Association of Rural Housing.
National Conference of Catholic Charities.
National Council of Catholic Women.

National Council of Housing Association.
National Council of Jewish Women.
National Council of Negro Women.
National Farmers Union.
National Federation of Settlements.
National Institute of Municipal Law Officers.
National Lutheran Council.
National Housing Conference (formerly National Public Housing Conference).
National Women's Trade Union League.
National Association of Parents and Teachers.
United States Conference of Mayors.
Veterans of Foreign Wars.
National Urban League.
National Board of the Young Women's Christian Association.

The housing situation has been given careful study by both House and Senate committees for many years, and has revealed the dire need for this legislation.

Both the Democratic and Republican campaign platforms pledged Federal aid for slum-clearance and low-rental housing programs, where the need could not be met by private enterprise or State and local authorities. Therefore, our failure to enact such a program at this time would be a repudiation of our party platforms, the platforms on which we were elected to Congress. We cannot do otherwise than support this legislation, without crippling amendments, and without further delay.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I have always thought it was a rather good thing that in the other body housing was recognized as bipartisan business. I hope that when the vote comes in this body housing will be recognized as bipartisan business. I think that is true in both an affirmative and a negative sense.

First, it takes bipartisan votes to enact housing legislation, and it takes bipartisan votes to keep it implemented.

Second, housing has been equally frustrated by Democratic and Republican Congresses. The other body on three separate occasions has passed a housing bill, but regardless of the leadership in this House at the particular time, it has been impossible to get that housing bill even discussed on this floor. I think this debate is a great day for the great bulk of the American people; certainly for those who live in the cities, because at long last in the House of Representatives we are going to vote yea or nay on this whole housing problem.

So that my remarks about bipartisanship on housing may be clear, I quote from the Republican platform adopted in 1948 in connection with the presidential campaign, as follows:

Housing can best be supplied and financed by private industry, but the Government can and should encourage the building of better homes at less cost. We recommend Federal aid to the States for local slum clearance and low rental housing programs only where there is a need that cannot be met either by private industry or by the States and localities.

I submit that this bill does exactly that, in almost such words.

Mr. Chairman, many people seek to tell us that this is a matter of limited application; that it will not affect many people of the United States.

There are 397 cities in the United States with populations of over 25,000. I believe that practically every Member of this House will find that one of those cities is in his district, and that every one of those cities is deeply interested in this bill.

We are told also that this bill is socialistic. I think that argument has been answered many times, but one answer that seems important to me is that it seems to depend on whose ox is being gored. There is apparently no socialism in even a billion dollars for parity payments and other Federal aids for farmers. There is no socialism in aid for rivers and harbors, soil conservation, and irrigation. There is no socialism in a bill which I voted for, and which many other Members voted for at last session, which actually helped to house migratory workers to help the farm situation in the United States; that bill was passed, and passed with a heavy vote by this House in the last Congress.

We are told also that if we pass this bill the housing of our Nation will be taken over by the Government. There is no substance to that. I have taken considerable trouble to ascertain exactly how many public housing projects there are in the United States, State, Federal, city, or other, and they come to the tremendous total of 276,171, to which we propose to add about 800,000, making something over a million out of roughly 35,000,000 housing units in the United States.

I went around yesterday with nine other Members of the House to some housing projects in New York. To get the physical impact of the "before" and "after" effect, I ask you to look at these two pictures. This one is "before"; this is a slum. Just get the impact of this picture. You have heard about all the merits and demerits, the pros and the cons, the cost in dollars and cents. This is the slum; this is where human beings are asked to live, and yet we call upon them to be patriotic Americans and appeal to them to do everything humanly possible to resuscitate the depressed nations of the earth. This second picture represents a housing development in New York such as is contemplated by this bill. The difference between these two pictures is all the difference between life and death as far as human morale is concerned and as far as human prospects are concerned.

We are told that we should not pass this bill on the grounds of economy. I reply to that that we must balance all the claims to the revenues of the United States in some feasible and fair way. I ask you first to take the figures of \$300,000,000 a year to be invested in low-rent federally assisted housing on essential and critical improvement for the welfare of the people of the United States, and compare that with some \$15,000,000,000 a year spent for national defense, and some billion and a half dollars a year spent on various farm programs, and then see whether the housing bill represents an extravagant approach to this basic problem; whether it is not essential that we pass this bill in order to have some balanced approach to the welfare

of our people, as well as for the welfare of the Nation and the world.

This is a very reasonable program, and it is reasonable in this sense: We are told today that private enterprise on the one hand is doing the job, but we know it cannot, because, if it were, we would not have these urgent representations that are coming up from the leading national organizations, the cities and communities, the veterans and people generally, for this type of relief, a demand that comes from all over the country. We are told on the other hand that private enterprise is not doing the job. Somewhere there is a gap, and I submit that this bill is designed to fill up that gap. It seems that private enterprise is being stabilized at in the range of 800,000 to 1,000,000 home units a year. Under a housing bill we should expect to add somewhere between 250,000 and 500,000 additional units. The passage of such a bill, therefore, should result in a balanced program and one that will also give aid to the lower middle income groups. If we do this, then we are embarking upon a housing program that is somewhere nearly adequate to meet the housing need within the next 10 years. The housing bill should pass, and we should include in it provision for the lower middle income families as provided for in the bill H. R. 1973 introduced by me and nine Republican colleagues.

We have seen there is a margin of difference between an inadequate program, which is what we have today, and an adequate program; and our people are reasonable; the people do not expect the unreasonable or the unattainable. If we pass the housing bill amplified with provision for lower middle income families, we will find, in our respective districts, that the people are satisfied, that we will have kept our faith with them.

One last word: Our democracy is important to us; it is important, certainly, to me as a member of a minority, and equally to every other Member of the House. I think it is fundamental, especially with us here as legislators, that our democracy cannot be so inflexible as to be unable to meet modern demands—demands brought about by demonstrably changed conditions. To insist on the theory of inflexibility is the surest way to shatter our democracy. The surest way to preserve our democracy and to make it virile and strong is to show that it has the resourcefulness and the flexibility to meet the problems of the welfare of our people when those problems are as clearly and as strongly shown to us as they are in housing.

There are very few measures we have been called upon to consider that have been more thoroughly scrutinized, that have been more thoroughly debated, that have been more thoroughly argued about in the country than this housing bill. I think that Members, whether for or against the bill, must come to the conclusion that the whole of the debate which has taken place very intensively for the last 4 years has failed to show that this program is invalid, has failed to show it is socialistic; on the contrary, it has shown it is reasonable, it is a

necessary program and it will do exactly what it sets out to do, that is to go far to make up the difference between the homes that we require and the housing which is being built today by private enterprise.

I believe we are going to be surprised by the number of votes for this bill on both sides of the aisle. I say that if there is a substantial vote on both sides of the aisle, it will be the best thing that could possibly happen not only for the American people but for our constitutional democracy.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Illinois.

Mr. YATES. I want to congratulate the gentleman upon his excellent presentation of the problem as it exists in our large cities. I was with the gentleman on a tour of New York City and of Philadelphia. I saw the slums as they exist in those two great metropolitan areas. I saw the attempts that had been made in both New York and Philadelphia to meet the problem. I think that the attack that has been made in the city of New York has been a revelation. It has taken and brought sunshine into the lives of all these people who, except for the public-housing program, would have been doomed to the blight of a slum area.

We in the city of Chicago are just as vitally interested in that except that, because we have a constitution which impairs the possibility of our undertaking the program, such as was created in the city of New York, we must have the assistance of the Federal Government.

Mr. JAVITS. May I say that I asked one question of all the good people in the public-housing projects yesterday whom I met. I said, "In any way does living here encumber your personality, your vote, or any of your freedoms of speech and action?" Each one said, "Absolutely not; on the contrary it frees us because it frees us of squalor; it frees us of worry."

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, may I ask the gentleman from New York how much these units are going to cost?

Mr. JAVITS. The estimate of cost is somewhere in the neighborhood of \$8,500 per unit. The normal unit is about four rooms.

Mr. MURRAY of Wisconsin. Mr. Chairman, I have heard many stories in regard to cost, but I will take the gentleman's figures instead of the ones I have heard otherwise. I call the attention of the members of the committee to a few things that are happening out in the country, and I do not want to get into a city-country controversy. I just want to recite my own experience in connection with trying to do something for the rural people we hear so much about.

The year before I came to Congress a man asked me if I could help him get a loan on his house. He was about to lose it. I took him to the proper place. They

asked him how many dollars he wanted to borrow. He told them \$1,500. They asked him if he had waterworks in it. He said, "No." They asked him whether he had lights. Yes, he had lights. Then they said they could not do anything about it because it was not a modern house. Of course, he lost his house. In the cities we took care of lots of them.

Let me cite another example. I happen to have a village in my district with a population of about a thousand people. It is a splendid community where the people have worked and have really made a success out of farming. When they retire they move to this small town.

It is a good little town, with plenty of business. Do you know how much of an FHA loan they can get to build a house in that village? They have some mighty fine homes there, too. Do you know how much? Three thousand five hundred dollars. That is the extent to which Uncle Sam is interested in building houses there. Under this bill you propose to build \$10,000 to \$12,000 homes.

Within the last 6 months a man who lives in a village in Wisconsin came to me with a problem. He has a piece of land in the village. He owes \$1,400 on it. He wanted to borrow \$1,400. There was not a Government agency interested or in a position to lend him the \$1,400. Are you asking me to vote for our Government to build a \$10,000 to \$12,000 home for someone, when the same Government does not see fit to save a \$1,400 home with the land thrown in.

Now you can see why a person that happened to come from a State that has had its income reduced by 33 1/3 percent since election day might not be too anxious about working out any more schemes or passing out public funds until we check on some of them already passed out.

There is a way to approach this problem and the people of the country do not ask for any program that is not extended to the people in the cities. We have had a program for years under the Bankhead-Jones Act and under the Farmers Home Administration. It has been going on for several years and we have tried to do something for the rural areas. Under the Bankhead-Jones Act we appropriate \$15,000,000 a year. Now, it is going to be a long while to ever get much done on farm tenancy with \$15,000,000 a year. About the only time you hear about it is during the Democratic campaign when they tell people how they promote farm ownership. Today you want the tail to wag the dog. You want to come in with \$275,000,000 for the rural areas, \$25,000,000 of which is absolutely a blank check. Now, that may be a good idea for a Democrat or anybody else to give out \$25,000,000 blank checks. Under the rural section of this bill, thank goodness, they are going to tie this with the Farmers Home Administration.

The older Members here know the days when we had Mr. Tugwell running the Farm Security Administration. You look back in the Seventy-ninth Congress and you will find that under the leadership of the gentleman from North Carolina [Mr. COOLEY] we passed the Farm Home Administration bill.

Some agricultural groups are getting money for 2 percent interest, some for 3, and some for 4. The Farm Home Administration has been developed into one of the best agencies in the Department of Agriculture. It helps the lower-income group so far as agriculture is concerned, and if the Government wants to furnish the people of this city with 2- and 3-percent money and give them the same consideration that they give farmers, there is no reason in the world why anyone could not support it.

My contention is that we may be getting along all right because this money is to be handled by the Farm Security Administration, but what I cannot figure out is why this new outfit has to stick its nose in it. Why do we not appropriate this amount to the Farm Home Administration and be done with it? It takes several years for the Farm Security Administration to be supplanted by the Farmers Home Administration. They have made a real agency out of the Farmers Home Administration, and it is an agency that any Member of Congress can stand up any place in the United States the way it has been operating in the last 2 or 3 years, and be proud of. Why start up a new farm-loan agency?

There is one distressing thing about this bill here today, including the bill introduced by my distinguished colleague, the gentleman from New York [Mr. JAVITS]. Of course, I feel sorry for those fellows in these big cities. They kind of suck the lifeblood out of the people of the Nation, but they do not take care of their own affairs. They can have nice things in the cities, but it is always at the expense of the farmers and the rest of the people of the Nation.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Illinois.

Mr. YATES. For the people of the city of Chicago and the people of the State of Illinois I will say that they have been attempting to have a constitutional convention for the last 20 years to revise their constitution to permit an equitable system of taxation, and their efforts have been thwarted by the rural areas down State.

Mr. MURRAY of Wisconsin. Of course, you have had enough rackets so you could have had enough money to build palaces, but I do not want to get into that angle of it. I do not like to see the tail wagging the dog. This fair deal is getting screwier than the New Deal ever was. We just got the New Deal straightened out on the Farm Security Administration and now you want to come back in and put these fellows in the same position they were in when Tugwell was running it, and everyone of us here today is going to be sorry for it. So, I say the first thing that should happen to this bill is not let the tail wag the dog. Allocate the money to the Farmers Home Administration and have them operate and not let these other people be messing it up.

Mrs. BOLTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentlewoman from Ohio.

Mrs. BOLTON of Ohio. I wonder if the gentleman intends to offer an amendment to that effect.

Mr. MURRAY of Wisconsin. I know how little weight I carry around here. The Democrats have a majority of 91.

Mrs. BOLTON of Ohio. Some of us might like to agree with the gentleman.

Mr. MURRAY of Wisconsin. Good; so I will tell the gentlewoman what I have done about it. I just do not like to embarrass myself by bringing an amendment in here and having just a few people vote for it. I do not like to do that. When I get into a battle I want to be sure to win. So I did go to the gentleman from Arkansas [Mr. HAYS], a member of this committee, who used to work for the Farmers Home Administration. He will tell you whether I am telling the facts about this case or not. I went to him, and I went to the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY]. If the gentlewoman thinks it would do any good, I would be glad to write an amendment, but those in the other party have the majority.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Illinois.

Mr. YATES. I understand the gentleman proposes to offer an amendment which would provide additional housing for the farmers of this country. I for one will support adequate housing for the farmers of this country. But does the gentleman mean to imply by that that after voting for the farmers of this country and taking care of them he is going to leave the city dwellers out in the cold?

Mr. MURRAY of Wisconsin. My experience in life, and I have lived in the country pretty much, is that I have never had to worry about our city friends. They always take care of themselves.

Mr. YATES. They have not been able to.

Mr. MURRAY of Wisconsin. I will vote for an amendment that the gentleman from North Carolina [Mr. COOLEY] or anyone else on the majority side brings in that will transfer this money absolutely to the Farmers Home Administration, period. I know the work they do. They can do a good deal more work for the lower-income group than this bill will ever accomplish. When that amendment is voted, I surely will vote for another amendment, if the gentleman will introduce it from the city, setting it up in such a way that if anybody wants money in the city he gets it at the same rate that they pay in the rural areas, 2- or 3-percent interest. These would be loans though, not gifts.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from New York.

Mr. JAVITS. Is it not a fact that the Farmers Home Administration is under the Secretary of Agriculture, and that this bill refers to the Secretary of Agriculture?

Mr. MURRAY of Wisconsin. Yes, and no one can take my remarks as any reflection on the Secretary of Agriculture.

Mr. YATES. If the gentleman will yield further, I think the gentleman from Ohio meant to imply that this is one country, composed of both city people and rural people, and that all should be taken care of together.

Mr. MURRAY of Wisconsin. I surely would not want to add anything to the class warfare that has been carried on by your party during the last 15 years, at least. I do not want to get into that phase of it.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. Mason].

Mr. MASON. Mr. Chairman, every citizen, whether he is for or against socialized housing, should ponder the long-time results of such a policy if it is begun. The Senate has passed the socialized housing bill. The House Committee on Rules opposed it, but finally agreed to let it come before the House for full debate and a vote.

H. R. 4009, the Housing Act of 1949, in substance, puts the Federal Government into the housing industry. Under its provisions Uncle Sam would be committed to spend \$10,000,000,000 to \$15,000,000,000 in the next few years for so-called slum removals—and the States another \$5,000,000,000—to construct homes and apartments for the low income groups. This would mean that the Government would become the biggest single home builder and renter in the Nation. It would also mean that all our citizens would be taxed while less than 1 percent of the population might expect to eventually reap a benefit.

Mr. Chairman, wherever a government has begun such activities, one inevitable result has always taken place. Private industries that had been operating in this field have had to retreat because of government competition. The government starts off with a little bit of socialism, like a camel's nose entering the tent, and ends up with complete statism or socialism. A threat to communize America by seizing the Capitol by force would cause our people to spring to arms. They would fight to the last minute for their freedom. But when socialism is encroaching, little by little—as it does in this socialized housing bill, it is not recognized as a threat to liberty and freedom, and the people are not alarmed.

Mr. Chairman, while the fight for socialized housing goes on in Congress, a bill to stimulate more home ownership among families of moderate means is being sidetracked by the administration. Senate bill 712 would provide FHA mortgage insurance for loans on small homes purchased with five percent down payments. Astonishing as it is, administration leaders are devoting their efforts to the passage of H. R. 4009, a socialized housing bill that will do nothing immediately to meet the demand for homes, while Senate bill 712, the home-building measure that would start construction of a flood of low-cost homes immediately, is held up.

Mr. Chairman, I am opposed to H. R. 4009. I favor instead Senate bill 712, a bill that would encourage private construction of low-cost homes immediately to meet the demands for such housing.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. Shafer].

Mr. SHAFER. Mr. Chairman, any economist, whether he is for or against this bill, will admit that the legislation, in substance, will put the Federal Government into the housing industry. Uncle Sam would be committed to spend billions of dollars in the next few years for so-called slum removals, to construct homes and apartments for the low-income groups, and otherwise to become the biggest single home-builder in the Nation.

Voltaire once said that the only thing we learn from history is that the people never learn anything from history. If we ever are going to learn anything from history, this would seem to be our last chance to start, if we want to retain our civil liberties and our economic freedoms.

In every nation, past and present, where the government has begun such activities, one inevitable result has taken place. The private industries which had been operating in this or that field had to retrench because of government competition. The government started off with a little bit of socialism, about like the camel who put his nose in the tent, but it ended up with complete chaos or socialism.

A threat to communize America by a bold stroke of seizing the Capitol would put our people up in arms. They would fight to the last minute for their freedom. I am sure of that. But when socialism is encroaching, and comes little by little, first to this industry and then to that, it frequently is not recognized for the threat to liberty and freedom that it really is.

Men have labored through the centuries to have the right to work for themselves without government domination or intervention, except to protect the people against fraud and to maintain public order and decency. Yet, such bills as this housing legislation, many feel, is not bad for it helps the poor.

The fact is, when slum clearance was tried in this country during the thirties, the very poor who had lived in slums were not helped at all, as everyone knows. The poor persons who had lived in the slums had to move to make way for the bright new projects, but they were not the same people who moved into the beautiful, airy government apartments. Oh no, others who could afford to pay an economic rent moved into these new government apartments.

A survey made in Atlanta, Ga., of a slum area before and after it had been razed and rebuilt showed that not one single family who had lived in the slum area while it was a slum was living in it a year after the new apartments had taken its place. These people had moved off to another section and had started another slum.

The Federal Government spent hundreds of millions of dollars clearing slums during the thirties but there are so many, or more, slums as before. Slums are one result of poverty, but many slums have been occupied by persons who were very wealthy, just as

many extremely rich people may be found wearing clothes others would not care to wear. Every week, the newspapers tell of some aged tramp or recluse who has died and left \$100,000 or more in attics, trunks, or tin cans.

The Federal Government, by wasting billions on Federal housing, can make a few contractors happier and richer. It can furnish some more subsidized dwellings for you and me and other taxpayers to maintain. But it cannot make one person clean who is unclean in his or her habits; it cannot promote a love of beauty and neat surroundings in another dissolute breast. People are people, whether the government does or does not waste its money. A decade after all this public housing money is spent and gone, there will be as many slums as ever in America, unless individuals change and determine to make their homes neater, cleaner and more respectable.

The bad results of this bill are these: It will cause private builders to quit building as many homes; investment capital formerly flowing into the housing industry will flow elsewhere; more and more homes will have to be constructed by Uncle Sam to take up the slack and to meet the obvious need for more and better homes; inevitably, the entire building industry will be socialized—maybe not next month, but in a decade or so. That is the way the New Deal planned it and that is the way it will be, if this legislation is passed.

And while the fight for socialized housing is being made, a bill to stimulate more home ownership among families of moderate means is being sidetracked by the administration. Senate bill 712 would provide FHA mortgage insurance for loans on small homes purchased with 5-percent down payments. Astonishing as it is, administration leaders are devoting their efforts to the passage of this unwieldy socialized housing bill which would do nothing to meet the demand for homes for more than a year or two or three. Yet, the home-building measure which would immediately start a flood of low-cost homes is held up.

Mr. SPENCE. Mr. Chairman, I yield 13 minutes to the gentleman from California [Mr. McKinnon].

Mr. McKINNON. Mr. Chairman, in this country, we are ruled by a dictator.

Whether we like it or not, there is one ruler, one dictator, to whom both you and I must bow. We cannot long escape his edict and no revolution from his tyranny can permanently be successful.

That dictator, Mr. Chairman, is fact.

Fact has a way of upsetting our most cherished opinions, and fact sweeps away resistance like the atom bomb leveled Hiroshima.

The reason you Members are here this afternoon is because you pay homage to fact, because you want the basic information that will assist you in a wise decision on this public housing bill.

Let us see what Dictator Fact has to say about—

First, that this bill is socialistic and threatens free enterprise and our competitive system. Try to forget—if you can—those \$15,000 cracker boxes that

were sold to homeless veterans under the shameful guise of free enterprise last year, and look deeper into the facts of the situation to see if the charge has any substance.

This public-housing idea is not new. The Congress passed a similar bill 12 years ago. What happened to private enterprise after 1937 in the home-building industry?

Well, by way of answering, let me point out first of all that the facts show that the projects did not go entirely to the big cities—another false charge of the opponents of this bill—but to many smaller communities. The records show that Austin, Tex., was the first approved project; that Charlestown, S. C., was second, and that—and listen carefully—and that of the 582 communities participating in the Public Housing Act of 1937—63 percent were communities under 25,000 population—and 86 percent of the communities that benefited were under 100,000 in population. So you can see that this bill, based upon the only reliable guide we have—the fact of past experience—is not a big city housing bill.

But let us get back to the first charge—that of socialism and the destruction of free enterprise. What happened to free enterprise in Austin, Tex., when public housing moved in? Did the private builder fold his ingenious organization and did the realtor join the unemployment lines?

Of course not. Facts show that private building did not decline, but increased. The building permits in Austin disclose that in 1935, building permits aggregated 803; in 1936, 895. This was before public housing. After the Public Housing Act in 1938, building permits in Austin, Tex., had increased to 1,287 units and in 1939 to 1,587—increases from 50 to 90 percent. By 1947—10 years after the first public housing bill—building permits that year in Austin were 2,234. Of course, there were other stimuli, but the point, as based upon fact, is that public-housing projects in Austin, Tex., did not dry up the construction of privately built homes—and the records show that Austin, Tex., is the rule and not the exception of all the other 528 communities that benefited from public housing.

In fact, if you trace actual case histories, I am sure you will find that some of the families now owning their own homes in Austin once upon a time were beneficiaries of public housing. By being exposed to the joy and convenience of a little decent housing, those who had never known what clean, convenient, and healthy surroundings were, were given a fresh start and a new hope * * * and they became the customers of the private enterprise system and the living exhibits of American human engineering development.

WHAT ABOUT THE COST OF THIS BILL?

You are probably alarmed by the charges that this bill provides for a \$20,000,000,000 cost to our Government. That is true—or more accurately, that is half true.

The total contingent liability of this bill as it now stands over the next 40 years is about \$15,000,000,000—but that is what it will cost if everything goes wrong.

We project the cost of any business operation upon the basis of the cost of a similar operation that went before. Taking the 1937 Public Housing Act experience as a basis, and adjusting to present-day costs and continuing conditions, H. R. 4009, as amended to 810,000 units, will cost this Government approximately \$7,000,000,000 over a 29-30-year period. That is approximately \$233,000,000 a year. This figure is based upon experience, upon the cold realities of fact. There is every reason to have confidence in it.

Of course, \$7,000,000,000 over a 30-year period is a tidy sum. These are the days when economy is expected and we must stand before the bar of public opinion to justify our actions.

We have a right to ask, and the people have a right to know, what return we can expect should we pass H. R. 4009 and start the \$7,000,000,000 program.

We cannot project precisely, but we can fall back again upon the facts as to what we now are spending for slums. Let us see what the facts show as to which is the most expensive—H. R. 4009—or the slums? This country—local, State, and Federal governments, plus the charitable and religious welfare agencies—are pouring not merely two hundred and thirty-three million a year but billions of dollars a year into slums in the form of fire and police protection, crime, and juvenile delinquency, broken homes, and the divorce mill, disease and hospitals.

Although slums and blighted housing make up about 20 percent of our city residential areas, they account for 45 percent of the major crimes, 55 percent of the juvenile delinquency, 50 percent of the arrests, 60 percent of the tuberculosis, 50 percent of all of the disease, 35 percent of the fires, 45 percent of the city-service costs, and yet these slums return only 6 percent of the real-estate-tax revenues.

Los Angeles, for example, pays five times more for fire-, police-, and health-protection services in the bad-housing areas than is required where there is good housing. Newark, N. J., found that it is paying out over \$14,000,000 a year more to maintain its slums than to maintain its good-housing areas.

These are only two examples. But, the facts are the same wherever they have been gathered, and they are as true of the small towns as of the large cities. It is a misconception that slums are exclusively a problem of the big cities, and that they can be dealt with exclusively by those communities. Every American city, regardless of size, has its slums. They just are not as massive in the small cities as they are in New York or Chicago, where they fill block after block.

My brilliant colleague and esteemed friend, the gentleman from Illinois [Mr. O'HARA] yesterday convincingly revealed that the fire loss in slums is \$210,000,000 a year. The slums share of the total crime cost in our country is \$7,750,000,000 a year—and neither of these dollar costs measure the total cost—in humanity. But project the losses from fires, from crime, from health, and from broken homes, and you will agree, with the dictator fact, that H. R. 4009 is a piker

when it comes to costs as compared with the slums.

You know and I know that any private manufacturing concern, owning a plant so wasteful and inefficient, would immediately tear it down and construct a more efficient and more profitable establishment. We, as Members of the board of directors of the largest corporation in the world, cannot afford but to do likewise.

There are some who argue that the families who live in slums are the wastrels whose improvident habits are beyond reclaim. The facts do not support this argument. Answer to yourself, which came first in our present generation—the slums or the individuals who live in them? The answer is obvious just as the facts prove that when these people are transplanted, most of them reach and attain the objectives and standards to which all Americans aspire.

The facts drive home that the time is past when slum housing can be considered significant only for those who have to live in slums. It is a problem that affects the whole country and must be dealt with on that basis.

It is not a question as to whether we can afford H. R. 4009—the facts emphasize we cannot afford to be without a public-housing program.

Opponents charge that the bill does not take care of all the slums—and on this one fact they are obviously correct. Unfortunately, we shall probably never eliminate all the slums any more than we will eliminate all the vice of this world, but that does not give us the excuse for individual or collective immorality.

Opponents say that the private building interests will serve our housing needs if the Government will stay out of public housing. But in our hearings, the first vice president of the National Home Builders Association said that the lowest cost housing they could build required a minimum payment of \$29 a month—and that is under only the most favorable conditions. The average is nearly twice that high. The Census Bureau shows we have nearly 20 percent of our urban families making less than \$1,500 a year income—and while I wish to compliment the private-building interests upon their recent accomplishments in the low-cost housing field, even they will have to admit that they cannot serve or take care of these extremely low-income groups—the one family out of every five. That is why we have slums, and that is why we need a public-housing program.

Opponents charge that the really low-income groups do not get the benefit of public housing. The facts show that they do. The very lowest income group—those on public welfare—are represented in every public-housing project. It varies from a low of 6 percent in the project at Boston to a high of 39 percent at Seattle. But the main point about this value of public housing is that it provides for families with children—large families—the size of families that cannot find private housing. These large families are the future Americans. Can we afford to have them grow up homeless, hopeless, and bitter against the country that of-

ferred them no equality of opportunity? What kind of America are we going to have when most of the future citizens remember the signs "no children wanted" that closed the door of a home in their faces and left them in squalor and wretchedness?

And what about the charge that this bill builds a political machine?

I noticed a few weeks ago that Republicans and Democrats alike voted a pension bill for the veterans that—over the long run—costs more than H. R. 4009. They forgot the cry of economy there, because, I fear, they wanted the love of the veterans' welfare.

The vote of the veterans, thank God, belongs to no party. That is because both parties rightfully are interested in the veterans' welfare.

I dare say, the same would be true of the poor and unfortunate if both parties took a sincere interest in their welfare.

The surest way to keep this housing bill from building a political machine would be to have the Republican Party join the Democratic Party in a sincere interest in the poor people. If you really are concerned about politics, then vote with us for human rights.

As Representatives of this great country, let us have the individual courage to face the facts. We can sit and do nothing and eventually invite socialism or a total state—or we can think and go forward on the historic lines of dynamic, progressive democracy.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, let us reason together calmly as citizens of the United States and not as Democrats or Republicans. After an election we represent a great Nation and not a mere party. We have heard a great deal about common welfare; we are all for the common welfare of our great Nation.

We intend to make it still greater, and we shall do everything we can, but to follow everybody's advice as to what common welfare is would mean common destruction. We still reserve our right as individuals to decide whether the person who talks so glibly about common welfare knows what common welfare is as against common destruction.

On January 5, 1949, I introduced H. R. 853, which is a housing bill which would permit the people in the lower brackets to own homes even at the present high prices and to pay for them with a 30-cent dollar. I introduced that bill and asked for hearings but was ignored. I wrote at least one letter to the committee asking for a hearing, but never received any. I expect to offer that bill, H. R. 853, as a substitute for the bill under consideration, H. R. 4009.

May I say also that my bill will create homes while H. R. 4009 just creates tenants. There is a vast difference between a homeowner and a tenant. The tenant, after all, becomes reckless and careless of other people's property, but he will cherish and protect his own home. For that reason I provided in this bill doing just what my colleague from North

Dakota [Mr. BURDICK], wants done—which the bill offered by the committee fails to do—that is, create homeowners and make it possible for the people of this great Nation of ours to own homes of their own.

My bill provides, first, if you want homes, you form a little group. It is modeled after the Federal land-bank law. You form groups consisting of 10 or more members. When you form a group you get a charter from the Federal Housing Administration. When you get the charter you have a right to make a loan and get a home.

The bill provides for a loan up to \$15,000. Do you remember the wonderful showing we made during the depression in saving the homes of this Nation by making loans, and not by making tenants? It was by protecting the homeowners of America. That is what my bill does.

When you get this association formed and you have your charter, you make a loan and you get it at the rate of 2 percent, which is the interest rate that was paid by the Federal Government on the money it borrowed at the time I drafted this bill.

The bill provides that you may build a home up to \$15,000. As originally drafted it provided you should raise 10 percent of the amount you wanted to borrow of your own money, the feeling being that you ought to have some interest in your own home. I have been told, and it has been suggested to me, that we should require no payment up to five or six thousand dollars so that people in the lower brackets can get a home.

We provide further in the bill that you have 30 years in which to pay for it. Someone has suggested 20 years, and I have no great objection to amending the bill and making it 20 years in place of 30 years, because under this bill when you get the money at 2 percent you can pay for it.

We give you other advantages under my bill. We provide that any payment you make on your home will be deducted from your Federal income tax. Right here may I say that if the Federal Government would give up the withholding tax it is taking out of the salaries of Federal employees and the other workers of this Nation, they would soon be able to build their own homes and own them where they please, select their own architect, and select their own contractor. This would give them some independence and get away from regimentation. If my bill is not substituted for H. R. 4009, then the Federal employees and the employees in industry can expect an increase in the withholding tax.

I am sure most all of the Members have traveled through Chicago. If you have not, when you do look at the Federal homes built by the Federal Government along the railroad tracks where there is a train every 5 minutes. It seems they want to kill the babies before they are born. That is not democracy, that is not permitting the individual home owner to select his own location. I can guarantee you no person who wants a

home would select a site near a railroad track.

If it is his own home he takes an interest in seeing how it is built, which is also important.

Then we exempt these homes from taxation for 20 years until they are paid for. This will permit a person who wants a home to pay for it. We limit the provisions of the bill to individual homes, but we provide, also, you can have cooperative homes. A unit can be owned by an individual along the lines that apartments in Tilden Gardens are owned in Washington, D. C. You can buy a home there and it is as much yours as if you built it out on the prairie. The particular unit is yours.

We provide under such conditions a group of people can get together and build an apartment building of their own, have their own units and pay for it by lesser interest, by being tax exempt until the home is paid for.

We all believe in homes. Homes are the stability of our Government. If there ever is any danger of either communism or fascism in this country it will be the result of the lack of homes.

I will say frankly to any Member on this floor who owns a home in his city or town, if you were the only one that owned that home you would not be the owner of it very long. If the rest were all tenants, they would see to it that you also became a tenant.

The thing in favor of this bill is that we have a splendid example of how it works. The Federal Land Bank has been a success. I will admit that sometimes they foreclosed before they should, but we here in Congress can stop that. And, I want to say also that the loans made during the depression to the home owners in Chicago and elsewhere is what saved their homes, because I remember the time when I was called to Chicago to save several thousand homes. We succeeded by putting in a bill to Congress; that is all we had to do. We did not have to get it passed. The very fact that the bill was introduced restrained the bankers that wanted to foreclose.

Now, I have letters in front of me and I will just read a few excerpts from them. Here is one from Fargo, N. Dak., my home town:

DEAR MR. LEMKE: Thank you for your valued letter and copy of your housing bill 853. It is a great improvement over H. R. 4009.

My reaction is as follows, which you kindly mentioned: Good points, no regimentation—to build where he pleases—have his own contractors.

Here is another one coming from a prominent citizen in my State, in the city of Mandan, in the western part of the State:

Thank you for your letter of May 27 with reference to H. R. 4009 and for the copy of your bill H. R. 853.

I have carefully read your bill and I like it as being American in its concept and because it provides an answer to low-cost housing for those who need help in building a home and at the same time preserves the traditional individuality of the citizen by giving him the responsibility that he should have in the direction of his own efforts and

desires and should preserve for him the dignity of his own freedom of action.

I am going to recommend consideration of your bill H. R. 853 to other Members of the Congress in the hope that it will receive the attention that I believe it merits and that it may be a means to the solution of this angle of the housing problem.

In conclusion permit me to say that I feel this bill meets with the present requirements and will make home owners in place of more tenants, and it will help the public welfare of this Nation not by giving things but by making the individual, at least, protect that which he gets and to pay for it under terms and conditions that would put it within his reach.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. SPENCE. Mr. Chairman, I yield 12 minutes to the gentleman from New York [Mr. DOLLINGER].

Mr. DOLLINGER. Mr. Chairman, from the hearings before the Banking and Currency Committee and from the record of testimony that has been built up by the Congress during the 5 years of study it has given to the housing problem, we could expect to have available to us today as we consider the Housing Act of 1949 expert criticisms and constructive suggestions from those who are engaged in housing construction and finance.

Certainly there has been no lack of opportunity. Witnesses purporting to represent all phases of the housing industry, from the producers of building materials to home builders and mortgage lenders, have appeared before congressional committees during the long consideration of this legislation, not once but many times. Their testimony fills hundreds of pages of printed committee hearings.

In all this testimony, however, we have not had the kind of constructive criticism that would be helpful to this Congress in its efforts to grapple with this housing problem. What we have had, instead, are dogmatic broadside attacks on the substance of this legislation which has been developed after so much study and consideration—attacks which have disregarded the well-documented facts and attacks which have disregarded the critical housing needs of the American people. As these witnesses have appeared, one by one, before our committee, the voices and the words have differed but the arguments have been so similar I could repeat them in my sleep. If, anywhere, in all the industry testimony, there were any constructive suggestions, their point was completely submerged in the outpourings of distortions and misrepresentations.

Let us look at some of these arguments and the facts regarding them.

There is the argument that this legislation is not needed, that private enterprise is fully serving all housing needs. This argument completely ignores the fact that over 6,000,000 families in our cities and towns, and many farm families live in slums or other bad housing because they can afford nothing better. It ignores the hundreds of thousands of families, many of them headed by veterans, who cannot establish homes of their

own because they cannot afford the prices and rents at which houses and apartments are available. It glosses over the fact that the rate of housing production is declining not because these needs are not still urgent but because people cannot afford to purchase buildings when private builders insist upon making exorbitant profits.

The facts are that only through public assistance such as that proposed in this legislation can the needs of slum dwellers and other low-income families living in bad housing be served; that only the kind of a research program authorized in H. R. 4009 offers real hope that private enterprise, through lower costs, can broaden its markets and expand its production in relation to the needs of the people.

Then there is the argument that low-rent public housing will not serve poor families, but will compete with private enterprise. This argument ignores the fact that in the present low-rent public-housing program, the median income of tenant families last year was \$1,884 and that of families admitted to the projects last year was \$1,481—families who obviously cannot obtain decent housing in today's market. It ignores the several safeguards contained in H. R. 4009, including the requirement that rents charged families in public housing must be at least 20 percent below the lowest rents at which private enterprise, in the locality, is providing a substantial supply of decent, safe, and sanitary dwellings. Of course, if the real-estate lobby is concerned with protecting those who exact a profit from slum housing, what has been said is true. This program will compete with slum owners, and I think it should.

There is also the charge that under this program \$15,000 houses will be built for low-income families. That argument completely overlooks the fact that the \$2,500 per room construction-cost limit would be approached only in a few of the highest cost areas, that the general limitation is \$1,750 per room and that there are other requirements in the bill for economy and simplicity of design and construction. Never mentioned by these spokesmen is the good record of local housing authorities in the past of building public housing well below the maximum limits.

There is the additional argument that slum clearance and housing are the jobs of the cities and States. Completely overlooked is the fact that local public agencies established locally under State laws will do the slum-clearance and public-housing jobs under this bill, that the Federal Government's role will be to supply the financial assistance which past inaction and the overwhelming testimony of mayors, city officials, and others clearly demonstrate is necessary. This argument completely glosses over the fact that in a national economy, the States and cities are unable to tap taxable sources of wealth sufficiently to finance these essential services, even if they have the constitutional or legal authority to do so.

Now I come to the patronizing concern which these industry representatives have for the costs of this program to the

Federal Government. We have been told that this bill will cost sixteen to nineteen billion dollars. Actually, the out-of-pocket to the Federal Government over the whole period of 40 years will probably not exceed \$10,000,000,000 or an average of only about three hundred million a year. But these people never tell you that even their exaggerated estimate of the cost of H. R. 4009 for housing, which is of such vital concern to the internal security and well-being of the Nation is little more than we propose to appropriate in 1 year in military expenditures to protect us and our fellow democracies from potential outside enemies. And while they make every effort to sell you a house on the basis of its monthly costs, they seldom seem willing to talk about this bill on the basis of annual expenditures, on the basis of less than 1 percent of the annual Federal budget or 1 day's cost of the last World War.

And then we hear of this bill in terms of a gigantic Federal housing program, of Federal control and Federal dictatorship. Industry spokesmen somehow never seem to remember that the slum-clearance and public-housing programs are initiated and carried out by locally appointed local public agencies with the approval of local governing bodies, and that no local community is required to accept the Federal assistance which would be made available. They always overlook the overwhelming evidence from local officials that the present system of financial aid for public housing has worked out satisfactorily and that these same officials have pleaded for the additional assistance which this bill would provide. They never seem to remember that the results of the research program authorized under this bill will be available for industry, and for the local communities, to use only as they wish.

And then we come to the argument, well covered with mildew, that this legislation embarks the Nation on a program of socialism and communism. That puts a new political label on the 57 Senators—33 Democrats and 24 Republicans—who voted for the similar Senate bill and the 18 additional Senators who were paired for or announced for the bill. Those who put forward this argument would have you believe that assistance to local communities to clear slums and provide decent homes for low-income families is socialistic, but that underwriting the risks for billions of dollars of private construction and financing, as in the FHA and GI programs, is not socialistic. They would have you believe that public housing is socialistic while public schools, public roads, public water and sewer systems are not.

I ask the Members of the House whether they have found anything in these arguments which would help them work out a solution to the slums, to the bad housing conditions in cities, towns, and farms, and to the problem of housing costs. After listening for hours to these industry representatives, I am forced to the conclusion that their only purpose is to oppose and obstruct, that they are more interested in maintaining scarcities and high prices than in working out the

housing problems of millions of Americans.

As further evidence of that, I direct your attention to an editorial entitled "Stop the Public Housing Racket" in the May 16 issue of *Headlines*, weekly publication of the National Association of Real Estate Boards. The editorial was signed by Herbert U. Nelson, who for many years has been the principal paid executive of this association.

Mr. Nelson, of course, asked his members to write, wire, or telephone their Congressman to vote against this bill. He also announced that if this bill passed this organization would take immediate steps to seek its repeal or drastic amendment.

But also in this editorial Mr. Nelson, referring to H. R. 4009, said:

The Senate version of the bill was sponsored by 11 Republicans and 11 Democrats and has not, therefore, even the excuse of partisan advantage. It is political racketeering by power-hungry politicians who hope to pick up or control votes here and there.

I repeat those words, "political racketeering by power-hungry politicians." In all the words of abuse which have been applied to this legislation, I have never read anything so contemptuous of the 75 Members of the Senate, Democrats and Republicans, who voted for or were paired or announced for this legislation; of the Members of this House who are going to vote for H. R. 4009; of mayors and other local officials; of all the major veterans' and labor organizations, the church groups—Catholic, Protestant, and Hebrew—the women's organizations, and all the others who have supported and worked for decent housing.

Mr. Chairman, each Member, after consideration of all the facts presented in this debate or otherwise available to him, has a right to vote on this legislation as he sees fit; but I hope no Member of this House will permit himself to be influenced by the dogmatic and unsubstantiated attacks of the real-estate lobby and particularly by so contemptuous an attack on the motives of those of us in Congress, and of conscientious public officials and citizens throughout the country who feel that the enactment of H. R. 4009 is one of the most important things that could be done for the welfare of our people.

The CHAIRMAN. The time of the gentleman from New York [Mr. DOLLINGER] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. HAND].

Mr. HAND. Mr. Chairman, I appreciate the time yielded to me by my friend from Michigan [Mr. WOLCOTT], who yielded me this time despite the fact that he knows I am opposed to his views on this legislation. I am always a little uncomfortable when I am opposing the views of the gentleman from Michigan, because he is so often right. I think he is one of the soundest and ablest Members of this House.

Mr. Chairman, I am for a moderate plan of Federal assistance looking toward the solution of one of our foremost social problems, adequate housing for the American people.

I am not going to deal with this question in glittering generalities but on the

basis of the definite and favorable experience of an American community with public housing.

The attack against housing has been twofold:

First. That it is socialistic; second, that it is expensive.

Mr. Chairman, in our complex society we are very frequently confronted with problems which a completely private enterprise system does not solve. If we relied wholly on private enterprise, we would say to our friends in the West, "Build your own dams and flood-control systems, or take the consequences." We would certainly say to our friends in the West and South, "Sell your wheat and cotton and corn and tobacco in a free competitive system for what it will bring, and do not ask the Federal Government to engage in any form of regulation for your welfare, or for the national economic welfare."

Indeed, if we carried this theory to an extreme, we would demand that the neighborhoods build their own roads and say, "If your house burns, put out the fire, because we consider that we should not extract contributions from society generally to establish a fire department at the common expense and for the common good."

Nearly every cooperative enterprise maintained at the general expense is a social movement. Socialism as we understand it is not a cooperative movement for the common good, but is a means of government control of the tools of production. Public housing is not socialism; and, if it is, we had better repeal about 50 percent of the statutes that have been passed in the last 40 years.

Nor can I understand the philosophy of those of my colleagues who will cheerfully vote the use of American money to build roads, bridges, and public works for the economic and social benefit of the people of Greece, and who raise the cry of socialism only when there is a program to benefit the people of America.

And with respect to economy, Mr. Chairman, economy as I understand the word, is to fight against the extravagant waste of public funds, and not to fight against the use of public funds for great social benefits. On the issue of economy, I will match my voting record against that of any Member of this House. Had my votes prevailed, our budget would be billions less than it is now. But there again, I cannot understand the philosophy of those who sat in this House a few weeks ago and rushed through appropriations of approximately \$25,000,000,000; who will build a \$65,000,000 home for the United Nations; who will on 10 minutes' consideration vote \$16,000,000 for the relief of Arabian refugees; who would find no limit in their generosity to improve the breed of livestock, and yet who would choke over a measure which, I believe, will have a great deal to do with the improvement of the breed of human beings here at home.

Despite my promise not to discuss the general aspects of this question, I find that I have done so. Let me, therefore, quickly proceed to what actually has happened in a public housing project with which I am familiar.

The city of Atlantic City, which I represent, is not only the great seaside resort with which many of you are familiar. It is not only a famous boardwalk bordered with luxury hotels that you gentlemen see on your visit, but is at the same time a typical middle-sized American community. Atlantic City has two public housing projects. Public housing, Mr. Chairman, is not new despite the present outcry. It has been tried here and there since 1937. One of the projects is named Jonathan Pitney Village. This is a 333-unit residential construction, and I know you will be interested to learn that the rent-collection loss from April 1941 to the present date amounts to three one-hundredths of 1 percent. The other is called Stanley S. Holmes Village, with 277 dwelling units. That does even better. The rent-collection loss there has been one one-hundredth of 1 percent.

Mr. Chairman, many people seem to feel that public housing is another giveaway scheme. People pay rents for these dwellings, fairly substantial rents. And I doubt if any landlord can show a better percentage of rent collection than the figures I have just read.

Another false idea is that the maximum subsidies provided in the bill reflect the real expenditures to be made. It is our experience in Atlantic City that the maximum subsidy is never required. In one project, for example, the only year that the maximum subsidy was ever required was in the first year of operation, 1941-42, and that because the project was not opened until the year was half over. Indeed, in that project the overall figures will show that \$157,000 less than the maximum subsidy was required.

Now, Mr. Chairman, here is the interesting and significant fact. Out of the maximum subsidy which was allowed, the Atlantic City housing project paid interest to the Federal Government on its bonds in the amount of \$388,800. Deducting the interest that we paid from the total amount of Federal subsidy authorized, we can sum up that operation in this fashion:

Jonathan Pitney Village has operated 333 dwelling units of a low-cost rental housing project from 1941 to the present date. It has taken hundreds of families out of slums and restored them to self-respect and decent living conditions. The social good that it has accomplished to a degree can be actually measured in our police records, and even fire records; and the total net cost of this project to the Federal Government over an 8-year period was \$78,000.

Let me quote from a statement made by Robert A. Watson, the executive director of the Atlantic City housing authority. Mr. Watson says:

It is a recognized and acknowledged fact by all groups conversant with family problems that the crying need for additional low-rent public housing is one of the most vital problems facing our community today. As to the record of the present public housing in this community, the housing provided in Atlantic City under this program for the past 12 years offers tangible evidence of what public housing can do for low-income families in bettering their morale, incentive for improvement, and citizenship. Low-income families who needed assistance in meeting

their housing need have amply repaid their use of public subsidy by the improvement in their family life, their greatly benefited health, the reduced incidence of juvenile delinquency, police and fire calls, and the self-evident fact as recognized by the school system, that the children of these families have shown such marked improvement after being removed from slum conditions into decent housing.

Incidentally, Mr. Chairman, let me inform the House that Bob Watson is a conservative Republican businessman, and is about as far from a Socialist as anyone I can think of. The housing commissioners there are highly respected citizens of the community. They are business people who thoroughly believe in the American system. They have made personal successes on the American system, and they are running this Housing Authority on an American system.

Mr. Chairman, the Mayor of Atlantic City is the Honorable Joseph Altman. Mayor Altman is a lawyer, a life-long Republican, and I would certainly class him as an economic conservative. Let me quote briefly from a statement favoring public housing which the mayor recently made:

It is self-evident that private enterprise cannot profitably provide decent housing, new or old, for all of these families in Atlantic City at rents or prices within their ability to pay.

This is not only true now under the present high costs but has always been true to some extent. As has been proven, it is economically unsafe for private enterprise to provide such housing. The evidence is clear in the number of families now living in substandard housing who cannot afford to pay a sufficient rental for decent housing, which would enable private enterprise to realize a reasonable return on its investment. It is only just and equitable that private enterprise is entitled to and should make a profit on housing which is built at a capital risk. However, our present housing conditions are ample proof that low-income families cannot afford to pay adequate rentals which would encourage private enterprise to build for these groups. This fact has been clearly evident for several decades as well as now. As a consequence, Atlantic City shows increasing expansion of blighted areas and slum dwellings.

The Mayor knows, and everyone there knows that the need continues to be acute. There are 1,200 applications on the waiting list of these projects now. It is certainly not true, so far as this area is concerned, that the housing shortage has ceased.

Mr. Chairman, I personally have been a conservative all my life. I represent a solid district. My people believe in the American system through and through. There is not a handful of radicals in the entire area, but they are willing to open their eyes to changing conditions and changing methods, and so am I. If I thought that public housing would do irreparable harm to private enterprise, or that it was even a small step toward state autocracy, I would oppose it bitterly and persistently. I do not think any such thing. It has been operating in my area for a decade, and I assure you, Mr. Chairman, that the American way of life, and the true principles of our Republic, have been helped, not hurt by the operation.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. NICHOLSON].

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. MURRAY of Wisconsin. I call attention to the fact that according to the discussion of the previous speaker we have \$15,000,000 provided by the Bankhead-Jones Act so that we can get tenants on the farms and in this bill \$5,000,000 a year, or \$25,000,000 to build houses for the tenant farmers that are renting farms. In other words, we are driving two horses—trying to get people who are tenants to be farmers owning their own farms and in this legislation we are building houses for the people who own the land for their tenants to live in; is that right?

Mr. NICHOLSON. I think the gentleman from Wisconsin is right. The reason I am against this bill is that I think it sets up another bureaucracy in this country and whether a bureaucracy leads to some other -ocracy or -ism I am not interested. But I do know that the people who elected me and who talked with me on the street said to me, when I was coming down here, "For pity's sake, try to do away with these bureaucrats in Washington who are continually asking us for triplicates of this and triplicates of that and keeping us in such a state that we do not know whether we are obeying the law or not." It seems to me that when we discuss matters of importance like this, there is no necessity for accusing any of you of being Socialists or Communists. We should look at it as an economic measure. I do not think anybody objects and I feel that everybody is willing to do away with the slums in his city or if he happens to have them in his town. But there is a lot more in this bill than just the question of slums.

For instance, the gentleman from Alabama had just been talking about the poor farmers. It is my understanding—I do not know, I may be wrong—that farmers are the most prosperous people in this country today, and they have about one-fifth of the mortgages that they used to have through the years. Therefore, they are five times better off today than they ever were before. I do not object if we can find a thousand sharecroppers and farmers who cannot use their worthless land and give them \$500. But there must be 100,000 of them. What are you going to do with the other 99,000? Why, it would take about 40 or 50 years, and by the time we got around to each poor farmer it would be longer than that. His grandchildren might come under the bill.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. JONES of Alabama. The situation would prevail with every other appropriation we make, as far as being neglectful of some Members. Under the Bankhead-Jones tenant purchase plan we only appropriated \$15,000,000, the gentleman will recall. So that does not make a sufficient amount of money available to every farmer who wants to own

his own farm, but it is a step in the right direction.

Mr. NICHOLSON. That is right. Everybody realizes that if we pass this bill, all it takes care of is a small percentage of the people. Next year, we will raise it, because there will be a clamor, that some fellow's neighbor is getting something for nothing and he will ask for it, too. That is what this bill does. It destroys the initiative of the people of the country. It destroys their want of a home for themselves. As long as the Government or the city or the town or wherever they live furnishes the money, they will never build a house themselves. There will always be tenants. I think that in this body itself today and through the years a great many of the Congressmen, probably over 50 percent of them, sprang from a poor beginning, and they did not own a house but they were tenants. They got away from it because they wanted to build a home for themselves. Under this kind of a bill there is no incentive for anybody to build a house.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. NICHOLSON] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. NICHOLSON. This bill gives the Commissioner of Agriculture some more power. It puts him in the building business. We already have given him the Commodity Credit Corporation, put him at the head of that. He is at the head of the Department of Agriculture, which spends over a billion dollars. It seems to me we are loading the poor man up with too much work when we attempt to put him into the housing business. It puts me in mind of Mr. McAdoo, when they made him Director General of the railroads, when he was Secretary of the Treasury. When Mr. McAdoo handed the railroads back, the railroads were in debt \$4,000,000,000. They let the railroads run themselves this time and every one of them was rehabilitated and they all came out with a lot of money in their pockets.

Mr. JONES of Alabama. Will the gentleman yield again?

Mr. NICHOLSON. I yield.

Mr. JONES of Alabama. The gentleman would want to clothe the Secretary with good business practices as far as fulfillment of the obligation of the borrower to exercise such practice that the farm would make a return to where he would be able to pay for it? The gentleman would want that provision in the bill, would he not?

Mr. NICHOLSON. I should think that the Commissioner of Agriculture would let the banks handle it, or let this other department handle it.

Mr. JONES of Alabama. Of course, the gentleman recognizes that fact that if the borrower expected to borrow money from a bank, certainly there would be inquiries made as to how he would use that money and, in addition, the banker would pursue it to the end to see that his investment was kept intact.

Mr. NICHOLSON. Yes.

Mr. JONES of Alabama. So you are charging the Secretary with the same responsibility.

Mr. NICHOLSON. This bill gives to the Commissioner the right to hire engineers, the right to hire field secretaries, and the Lord only knows how many he will hire. He will hire all the Appropriations Committee will give him the money for.

Mr. JONES of Alabama. The gentleman is a member of the committee, and he heard Mr. Lasseter testify that in his opinion it would not call for an additional 10 percent.

Mr. NICHOLSON. "I asked that question of everybody who came before the committee."

Mr. JONES of Alabama. The gentleman himself asked Mr. Lasseter that question.

Mr. NICHOLSON. Yes, and I did not get any satisfactory answer.

Mr. JONES of Alabama. I will be glad to read it to the gentleman.

Mr. NICHOLSON. Well, it did not satisfy me.

Mr. JONES of Alabama. Perhaps the gentleman could not be satisfied.

Mr. NICHOLSON. I want to call the attention of the Members of Congress to the fact that cost apparently does not mean very much. But we are going to be called upon to appropriate \$1,500,000,000 to arm Europe. I assume you will vote it. You have voted for everything that comes up here. Then we have \$500,000,000 coming in here for health and education, and you cannot vote against that, because the poor children will not have any education.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WOLCOTT. I yield the gentleman two additional minutes.

Mr. NICHOLSON. Mr. Chairman, in another couple of years it will be a billion; then it will be 2 billion; that is how these things work. I have seen them work for 25 years in my State government; and the Federal Government is no different. Can we keep on appropriating money this way? There is a limit somewhere. Does anyone argue to the contrary? There is no one who does not know what happened to the franc, the mark, the yen, the sen, the lira, and many other monetary units in many countries; they fell so low that it took a wheelbarrow load to buy a pack of cigarettes. Our dollar can go down, and you know it can; its value is but 50 cents today. So you had better watch and be careful.

Mr. Chairman, it is not a question of money that is required to clear these slums. Let us take care of them at the city level, at the State level, in the areas where we live; let us not go down to Washington and have them put a little dribble into it, because that is all there is here. What they are asking you to do is merely to build 100,000 houses when private industry built a million last year. All they want to do is to get their foot in the door; then they will tell you what to do.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. MULTER. If I follow the gentleman's argument, I think he would advocate that we curtail our public-works program and do away with the Federal building of highways.

Mr. NICHOLSON. Listen! We assess a tax of a cent and a half against every gallon of gasoline that is used in this country. I do not know how many hundreds of million of dollars it amounts to, but that is where we get that money; we do not get it from a direct assessment on everybody; we take it out of the man who uses the roads. What is the gentleman talking about? Does not the gentleman know that?

Mr. MULTER. Is the gentleman sure about it himself?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, we have an unfortunate habit—it has been more and more apparent in this session—of judging votes of this kind on the basis of some symbol: We are for housing, or we are against housing; we are for education, or we are against education. That is the pressure that is placed upon us, and that is the report that goes out from Washington. If you will read the Constitution of the United States, and if you will read the Federalist papers which described the discussions incident to the adoption of the Constitution, you will find that this was intended to be a body established under the form of government known as the republic. Representatives are supposed to come to Washington and decide all issues on what is actually printed in a bill, not whether, in this instance, we are for or against Federal housing.

I desire, Mr. Chairman, to speak to you about one or two details which are printed in this bill. This bill, for the first time, departs from the Constitution of the United States in an appropriation matter, and says that it is not necessary to bring the expenditure of the taxpayers' money to the Committee on Appropriations. This says that the money shall be voted by the Congress in a bulk sum, that a demand shall be drawn upon the Treasury of the United States by the Housing Administrator, who is an appointed official; and that, therefore, no congressional committee shall have a check, an analysis, or a control over the expenditure of the funds. I suggest to you that whether you be for or against housing, you cannot, if you believe in representative government and the protection of the taxpayers' money, vote for this bill while that provision remains unchanged in the bill.

If you believe in constitutional government, if you believe that the reason this Nation is strong is because of our form of government, because of our checks and balances, the provision that the raising of funds must start in one House, that each House must check the other back and forth, then that provision of the bill alone should defeat it. That is very important. Only once before, in my knowledge, has the Congress

been asked to do anything which approached this. That was in connection with the Bretton Woods agreement, when we were asked to vote money in a lump sum to be expended without further check by the Congress; but at that time it was placed in the hands of an agency which was a bank and which gave the lending of that money the same analysis and the same examination a bank places upon the lending of its own money. That was not a good provision then and I think this provision is very bad.

There are two minor provisions in the bill, perhaps minor in comparison with the other amendments, and since most of the other features have been pretty thoroughly discussed, I will confine my few remarks to these.

Section 208, introduced as I understand it without a great deal of discussion, or put into the bill without a great deal of discussion, has to do with the transfer of the operation of labor camps. These camps are presently in existence and are being operated. The original intent was that these camps should be for agricultural labor. May I say with great earnestness to you gentlemen who argue whether a country background or a city background is better in the United States, that you will not eat in either the country or the city unless you recognize the necessity of harvesting crops. The reason we have been able to maintain the excellent standard of living in the United States is because of the techniques that have been applied to the production, to the harvesting, and to the marketing of food, which makes it possible for us not only to feed ourselves but to feed the people of other countries.

It is absolutely necessary that this housing be maintained for agricultural labor. This amendment says it is no longer necessarily farm labor housing. It is to be placed in the hands of the Housing Administrator, although in many areas of the United States today this housing is managed by nonprofit associations of farmers. I am of the opinion, first, that a point of order might lie against the entire section, but I would rather have it stand or fall upon its merits. I remind you that the President of the United States has within the past few days signed a bill passed by the Congress on this subject. It is my humble opinion as one Member that this section should not be in the bill. But if it is to remain here, if it is not to be taken out, and I would vote to take it out, then by all means it should be so amended that this housing remain farm housing and that the nonprofit associations of farmers in those areas where they presently operate them should continue to operate the projects as they do now for the benefit of the farm laborers and for the benefit of agriculture.

In the latter part of the bill there is one amendment which I say respectfully to the Committee on Banking and Currency contains a gimmick that I do not think they understood. I am not talking about the general provisions in the amendment, which begins on page 78, section 509. This was presented to

the committee as an amendment affecting District of Columbia participation. I have no intent to argue that point. That may be good, I think probably it is good, but there is in that amendment a gimmick and that is the bypassing of the Subcommittee on Independent Offices of the Committee on Appropriations.

If you will turn to the hearings on the third deficiency appropriation bill, which comes up for consideration at 4 o'clock tomorrow afternoon, you will see that I referred to the matter there. I asked the District agency to say again that they have not furnished the subcommittee with information which the subcommittee requested for three successive years.

Once, when we refused to give the agency money without additional information, they tried to get it out of the Senate, and the Senate refused to give it. The second year, when we refused to give the money without the information for which we asked, the agency went to the District Subcommittee and asked for it there and were refused because of lack of jurisdiction. This year there has been slipped in between the lines of this amendment a provision by which an agency denied funds by one committee of the Congress can, by a circuitous route, get those funds from some other agency, which would leave the Congress no recourse but to replenish those funds. Last year seven of us on the committee, of which the gentleman from Massachusetts [Mr. WIGLESWORTH] was chairman, were in agreement, and this year, with the gentleman from Texas [Mr. THOMAS] as chairman, five of us are in complete agreement and will offer an amendment which will not change the question of District of Columbia participation but will say that it is not the intent of the Congress of the United States that any agency of government shall bypass a subcommittee which is trying to secure information for which that subcommittee has asked for 3 years and been refused.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. KIRWAN].

Mr. KIRWAN. Mr. Chairman, I appear here to say a few words in defense of this act not so much because it is a national housing act but, just as important, because it is a national defense act. The Members of this House who voted in 1938 and 1939, starting with appropriations for the Army, the merchant marine, the Neutrality Act, the first draft, the extension of the draft, and finally the war, know that the many slums were created in this country through the passage of some of these defense acts. When the early settlers of the West built a fort, no matter what part of the country it was in, with a number of cabins inside of that fort, it was done for defense purposes. That is where they stayed during the night, and in the daytime they went out and planted their crops, but after they were safe and the Indians were driven farther westward, it did not take them long to get out of the slums of that day. They knew that they were not any good. The ones to

benefit by this bill are not only the people living in the city slums. They are to some extent, yes, but not nearly as much as the farmers. The farmer is going to get, let us say, eight-tenths of the benefit of this bill. Why? Let me tell you. In the last year of the war we spent \$70,000,000,000. The gentleman from California [Mr. PHILLIPS] who just preceded me, said that we do not eat unless the farmers can harvest their crops. Well, during the war we voted on the floor of this House not to draft any more farm boys, because we had drained the youth off the farms and the crops could not be harvested. What happened? Did we have slums in the country? Sure, the farm boy walked into a draft board, and all the doctor had to do was to take a good look at him; he was well fed and he had rosy cheeks, and unless he had club feet, he was immediately put into the Army. But, not so with the boy from the slums. If he finally did get into the Army, they put him in a hospital, after which he was of very little use to the Army. I say to that extent the farmer benefited.

I say also that, if we pass this housing bill and give relief to the families on the farm, thousands of their sons can be kept there and not shot into the next emergency.

We were shy of manpower during the last war. They were shooting the 18-years-olds across the ocean, those that had only had 3 months' training, those that had the health to get into the United States Army. We spent \$70,000,000,000 in 1 year. Can we not spend a few billion dollars to correct that situation and give some degree of security to the children of today?

I learned a lesson at a naval base after the end of the war. The naval authorities these were giving a demonstration of jet planes for the Congressmen on Navy Day. I happened to be sitting at lunch next to the commandant of that base. I said to him, "Of course, you are for compulsory military training that we are talking about now?" Surprisingly, he said, "No." I said, "Why?" He said, "After lunch I will show you why, and where you people in Congress are to blame."

He showed me three hangars there for housing airplanes. Each one of the hangars cost \$3,000,000. Then he took me over and showed me where they housed the boy that flew one of the planes, the one who was charged with the responsibility for that plane and the safety of all the crew. They housed him in what they called "Tarpaper Alley," where he was sweating all day and all night in the hot weather, just because the Congress of that day would not appropriate enough money to build a good house.

We air-conditioned the "Big Mo," as we used to call it, the battleship *Missouri*. We have everything in there cool and fine for the guns, but very little was done for the boys who man the guns.

That is why I am in favor of this legislation. I do not think that a man today in defense of doctors should be for socialized medicine. We should have gotten rid of the slums long ago. But we will be in here in a couple of weeks

calling for legislation to bring about socialized medicine. It will have quite an effect on this country and it will cost billions and billions of dollars, if passed. If we had just eliminated the slums, that is all we had to do. It is not such a tough job, when we spend a couple of hundred billion to destroy, to make war, to defend ourselves, to find the right way of peace. Our forefathers found that out when they got out of the fort. Why cannot we find out today that the answer to disease, broken homes, divorce, insecurity, and communism is to build houses for our young people, to eradicate slums in our cities, and to give hope to these citizens of our great country who look to this Congress for aid and assistance to solve this problem for them? The Congress must face up to its duty and recognize its obligation to pass this measure now before us. Let us remember these forgotten people not tomorrow, not next week, but today.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, a cargo of strange and wild-eyed animals—some only a few days out of their jungle habitat—arrived at the United States quarantine station in Clifton, N. J., in my congressional district, on Wednesday of last week. There were 203 in number, to be exact, and they had made their trip from the Belgian Congo some 7,500 miles away by plane; their final destination, the Bronx Zoo. The quarantine station, embracing approximately 50 acres, strangely enough is located in the geographic heart of one of the finest and fastest growing communities in New Jersey and consists of a group of well constructed stone and brick buildings.

Among this shipment of animals to be given rare shelter and food at the station are okapi, duikers, chevratians, monkeys, flying squirrels, bush-tail porcupines, lizards, and horned vipers.

Dr. F. L. Herschenroeder, superintendent of the station, was quoted last week as saying that he was having quite a time with the new arrivals because "they've only been out of the jungle since Monday and they are just a bit wild." The animals, he said, were on a diet of bananas, sweet potato leaves, carrots and peanuts, and he emphasized that the latter must be roasted. "That's the way they seem to like 'em," Dr. Herschenroeder said, "so, for a while, we are going to give them whatever they like."

To many people in my area, veterans and others who today are without proper shelter, this story will not be so inspiring, so intriguing. But it is true.

Senator H. ALEXANDER SMITH and Senator ROBERT C. HENDRICKSON, of my State of New Jersey, voted for the Federal housing bill now before us and none dares to call them communistic or socialistic inclined. Yes, they were of the majority when the Senate approved the measure by a 57 to 13 vote. Nor is anyone here going to indict the American Legion, the Veterans of Foreign Wars, the National Catholic Charities, the Protestant groups, and labor organizations, supporting the bill, as communistic or socialistic.

The legislation before us will have its principal economic effect—as distinguished from its social effect—on one of the basic segments of our national economy, the construction industry. In the past, this industry has been highly susceptible to changes in the economic climate. It is a bellwether industry. Its high points rise above the peaks of other industries. But in its bad days, it usually drops to lower levels than other industries. Furthermore, its slumps come early, forewarning of coming declines in general economic activity. These characteristics of the industry point to the important role it plays in our national prosperity.

I raise this subject now because I know all of you have read the signs on the horizon that our postwar boom is beginning to go soft. Probably I need not remind you that the May figure for unemployment was set at the disturbing total of 3,289,000. The Bureau of Labor Statistics tells us that nearly a million more persons were jobless in May than a year ago. Only last Saturday, the Associated Press reported the widespread feeling among leading Government economists that unemployment would not stop rising when it hit the 4,000,000 mark. Indeed, if present trends continue, the jobless will number 6,000,000 in the last quarter of 1949, and reach nearly 8,000,000 by the middle of 1950.

These conditions have brought cries of despair from the chronic calamity-howlers. I do not share their view that disaster lies just ahead. I have faith in the vitality of America. My faith does not blind me, however, to the realities of the situation. I represent an industrialized district in the State of New Jersey, one of the States hardest hit by the current increase in unemployment. The other hard-hit States, I am told, are Pennsylvania, Illinois, Massachusetts, Michigan, New York, Ohio, and California.

It seems to me that at this moment we must be concerned about the deflationary pressures that are obviously at work. Because we know now that a high level of construction activity always goes hand in hand with general prosperity, we would serve our country well by giving favorable consideration to a measure which would bolster that mighty stone at the foundation of our well-being.

The housing bill contains proposals which would have that salutary effect. The slum clearance and urban redevelopment plan contained in title I would be used to clear away the vast areas in our cities that are now left to the wasteful ravages of decay. With the help of limited Federal funds, it would write down the cost of this land to its true value. The process would release highly valuable tracts of land within our cities and make them available for new development, primarily through the enterprise of private businessmen.

Do not be misled by those who claim that the land thus made available would all become sites for public housing projects. This is not the case. The bill is very specific in providing that the reclaimed areas shall be redeveloped for their most appropriate uses. That would include new commercial areas,

new industrial sites, new private residential developments, whatever might be locally determined to be the best use for the land involved. However, it was used, this land would be transformed from a liability to the city into an asset, a new basis for wholesome and healthful civic growth.

The public housing provisions in title II likewise would be a stimulant to the construction industry. All the building contracts for public housing projects would go to private contractors employing local labor. The benefits from this work would flow through the whole fabric of the community. They would go to the materials suppliers, the materials producers, and, through the wages of labor, to businessmen of all lands—the grocers, the butchers, the landlords, the bakers, the clothing merchants. It would give new strength to the sinews of our economy, just as all productive activity does. There is also in the substitute bill, which I support, the addition of a program for a privately owned housing for families of lower income who constitute 20 percent of the almost 40,000,000 families in the United States. Ten Republican Members pioneered this provision for such families who are ineligible for public housing, yet cannot afford the private housing now offered for sale or rent. They are the families in the "gap" and include many veterans.

I mention these considerations because I feel they are in danger of being overlooked as we make our decision on this historic measure. In calling attention to them, I do not intend to minimize the social benefits that would result from these programs. I am mindful that they spell a new lease on life for our blight-stricken cities. I know it means a chance to live in a decent home to families who have never known anything better than the degradation of the slums.

What public housing can mean to a family of low income is no mere theory to me. We have seen it work in one of the cities it is my honor and privilege to represent here. I speak of the city of Paterson, N. J. There we have a public housing project known as Riverside Terrace. It was built under the United States Housing Act of 1937. There 300 families who could not afford to rent the cheapest adequate homes available in the city have found a haven. They have modest accommodations suited to their needs and their incomes, something they had never known before. The city of Paterson has had an application on file in Washington for more than 3 years for assistance in providing 1,500 more units like those at Riverside Terrace.

The city of Passaic, which is also in my district, has yet to build its first public-housing project. But it, too, is keenly aware of its need for housing for its low-income families. It, too, has filed an application for 1,500 units. The need for them is desperate. The people of these two great cities are looking to us to help them solve a problem they cannot solve unaided.

I say they have waited too long. What manner of economy is it that permits the very heart of our cities to rot away

before our eyes? What saving is there in allowing all new development to fly to suburbs, beyond the city limits, while the costs of running our cities rise and their revenues from taxable property decline? What good does it do to pinch pennies when children are growing to manhood in the slums, marked forever by the disease and frustration that flourishes there?

In the name of economy, we must act to rectify these conditions. We must act to save our cities and to rescue the young boys and girls who will be this Nation's future.

We have it in our power to do something constructive about these appalling things. It simply is not economical to delay. We cannot afford to wait longer. We have profit to gain here, in dollars and lives.

Mr. SPENCE. Mr. Chairman, I will not ask the next speaker how he stands on this bill. It would be quite unnatural and it would be a great surprise to me if he were not in favor of it, for his illustrious father devoted a great part of his outstanding life to the cause of human betterment and social welfare. It is a pleasure for me at this time to yield 5 minutes to the gentleman from New York, FRANKLIN D. ROOSEVELT, JR.

Mr. ROOSEVELT. Mr. Chairman, I had not intended to presume to speak in this Chamber for some time. But I beg your indulgence as I feel that I must speak out on this legislation because of my close association with its principles since the end of my service in the United States Navy.

As a member of many veteran and civic organizations, I have spoken on behalf of this legislation. As your newest Member, I come to you fresh from a campaign in which the good people of my district made it crystal clear that the uppermost question in the minds of all is the disgraceful housing shortage which blights our land.

I leave the discussion of the technical aspects of this bill in the capable hands of my colleagues who have lived with this legislation during the last several months and I will confine myself to my convictions on some basic aspects of the bill.

On Wednesday a bipartisan group of Members of this body briefly visited the cities of New York and Philadelphia to see at first hand the appalling contrast of the existing conditions and a few of the public-housing projects. This was not my first visit to slum areas, but I can assure you that in all my visits to refugee camps in the Middle East and in western Europe, I have never witnessed such inhuman sanitary conditions as exist in the slums within 220 miles of this Nation's Capital. One of my colleagues who visited the DP camps in Germany stated that none of the conditions he had seen abroad equalled those of the slums of New York and Philadelphia.

These are the breeding spots of disease, of child delinquency and of our crime rate.

When you talk of costs, think for a moment of the cost of this legislation as

compared with the ever-mounting expense to the American people of maintaining our tuberculosis hospitals, our insane asylums, our reform schools, and our prisons—a direct result of our un-American slums.

I can assure you that the children of the great Jacob Riis housing development in New York City will strengthen the fiber of our great democracy more than the unhealthy, the unhappy, and the inhibited graduates of our slums. I can assure you that the family, which is the core of our American society, will be a firmer bulwark of our cherished freedom when it is decently and respectably housed than when it is crowded into our squalid squabbling tenements.

And so, to those who worry about the cost of this bill, I simply say, we can no longer afford our slums and we cannot afford not to pass this legislation.

I have heard it said that this bill is socialistic, and that it will make political slaves of the people who live in the housing it will make possible.

Yesterday, I asked a young lady, who is a tenant of one of the New York City housing projects, whether she felt that she was in any way a ward of the Government or that her right to vote and to express herself was in any way controlled or directed by her Government. She looked at me almost incredulously and said "Why Mr. ROOSEVELT, that's a silly question. I am an American and I am and will always be just as free as any other American."

In my limited experience, I can remember that almost every legislation of recent years which has sought to serve the interests of the people instead of the interests of the few, has always been tagged by the same old gang as socialistic. I say simply that the vast majority of Americans who clamor for this legislation are not now and never will be socialistic. That the senior Senator from Ohio [Mr. TAFT] is not now and will never be a Socialist.

In short, the slums of America are breeding spots of communism, and in passing this legislation we will be striking a blow against socialism and communism and for our free-enterprise system and our American democracy.

The CHAIRMAN. The time of the gentleman from New York [Mr. ROOSEVELT] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, I have listened with a great deal of interest to my new colleague, who is my neighbor in New York, on the other side of Central Park. I heard with satisfaction his comments about slums, and the necessity for doing something about them. Let me say I am wholly in accord with him, and I think a great many Members of this House are, likewise, on that point at least.

Sometimes we learn something worth while from the newspapers. Sometimes we are brought face to face with realities from the headlines alone. For some 16 years the administration in control in Washington has operated on the simple principle that you can fool enough of the people enough of the time

to continue to get yourself elected. No more perfect example of that and the practice of that principle can be found than in the field of slums and slum clearance.

Year after year delegations from Congress and elsewhere visit slums; they tell us that something must be done about it, and we all agree. This morning in the New York Times and other newspapers we read of another congressional visit to the slums, the slums of the great cities of New York, Philadelphia, and elsewhere. The unpleasant and the impossible living conditions were pointed out, and a demand was made that something be done about it. And yet, I defy any Member of this House to point to a single word in the pending bill that requires the clearance of a single slum. So far as slum clearance is concerned, this bill is a fraud, a delusion, a sham, and a complete deception of the American people; it is not a slum-clearance bill. So, let us get down to business, Mr. Chairman; let us face the reality. If the American people want slum clearance, if we must have some kind of housing action, if circumstances demand it at this session, then for goodness' sake, let us be on the level; let us give them a slum-clearance bill; let us give them a slum-clearance bill within the means of the taxpayers of the United States to pay under the present burdensome conditions in which we are living.

On the same page that told the story of the visit of the Congressman to the slums of New York, Philadelphia, and elsewhere, there appeared a story from the other end of the Capitol. I think it quoted the Secretary of State as asking for an additional billion and more dollars to commence rearmament of western Europe. Not far from that story, in the same newspapers was a statement of the recently retired ECA minister to England, T. K. Finletter, Esq., who had just left the White House, stating that Great Britain was in grave need and would need greater aid; in fact, in the last day or two there have been several inspired stories in the press indicating that there might be another serious economic and exchange crisis in Britain. All of which points only to greater demands upon the United States. In view of all that, in view of the prospect of growing rather than of declining economic burdens upon the Treasury of the United States, we have simply got to scrutinize all these new spending programs with the greatest of care; we have got to keep them to an irreducible minimum; we have got to authorize less money on some of our domestic programs than we might like to. There is not any likelihood of declining foreign demand or domestic military demand; the likelihood is all the other way. Somewhere the shoe has got to pinch. If national security is the basis of our foreign commitments, then the only place that we can exercise necessary caution and restraint is here at home.

Last January I introduced in the House a bill relating solely to the clearing out of slum areas and the construction of buildings in those slum areas for the uprooted residents. It is a straight slum

clearance bill; it strikes at the very heart of this problem. It will channel such money as we spend to the most important, the most vital, and the most dangerous part of our whole housing problem. In amount, it will authorize grants to local agencies of \$200,000,000 a year maximum for a period of 10 years, that is, a Federal total of \$2,000,000,000, a very large amount, Mr. Chairman, even today, but not nearly as large as the astronomical commitments proposed by the Administration or committee bill. Moreover localities and States must put up \$1 for each two Federal dollars. Thus the total aggregate amount of money made available under the bill would be three billion.

My bill is a moderate bill, it is a reasonable assumption of obligation over a period of 10 years by outright grant to local communities, to be matched by them for the purpose of clearing slums and the building of homes to take the place of the slum homes that are eliminated.

Mr. Chairman, I intend to offer this bill as an alternative or as an amendment to the existing administration bill. It meets all of the requirements of slum clearance; it recognizes the limitations imposed upon us by the enormous financial burdens to which the Government of the United States is inescapably committed, largely on account of the military and foreign aid accounts.

This bill limits spending to slum areas and nowhere else.

It offers an opportunity to Members of this House to vote for a careful, intelligent, reasonably limited, moderate slum clearance bill that will make a start on this problem, but will not commit the United States to the stupendous sum over a period of 40 years as the administration bill does.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield to the gentleman from New York.

Mr. JAVITS. Has the gentleman made any estimate as to how many housing units can be constructed in each year and in all the 10 years under his bill?

Mr. COUDERT. That would depend entirely on the estimate you may make as to the cost per unit. If you take the cost per unit at \$10,000, you will divide \$3,000,000,000 by \$10,000 and get the result over the period.

Mr. JAVITS. It is \$3,000,000,000?

Mr. COUDERT. Three billion dollars. The bill requires a one-third contribution from the local communities and States, which adds one billion to the Federal two billion.

Mr. JAVITS. All of the money in this bill will be used to construct housing. I thought the gentleman said it was to finance slum clearance.

Mr. COUDERT. The money will represent the contribution of the Government of the United States to the local agencies for the purpose of accomplishing the rehabilitation of deteriorated areas and the construction of homes to take their places. How the money is used, what part of it is used for apartments or the tearing down of old apartments or clearing of streets is immaterial. It is the Government's grant or

contribution to the over-all ultimate purpose.

Mr. JAVITS. Will the gentleman say then that at the very maximum if not a penny were used for the clearance of slums out of the total sum allocated you could not possibly build more than 300,000 units in 10 years?

Mr. COUDERT. Unless you brought the cost down to what the administration estimates, say, \$8,000, which would be \$3,000,000,000 divided by 8.

Mr. JAVITS. You could not spend a penny for slum clearance?

Mr. COUDERT. Yes. If the administration bill as amended to conform with the Senate bill is enacted, and 810,000 units are built over 6 years, what proportion of the total eligible families of some ten or twelve million will be housed in those units?

Mr. JAVITS. I would say more than twice the proportion provided by the gentleman's bill.

Mr. COUDERT. I agree it would be a larger proportion, but no bill that is before this House is going to touch more than an insignificant proportion of the families entitled to consideration under terms of the bill. Moreover, States and localities are free to undertake slum-clearance projects on their own responsibility in addition to any projects aided by Federal funds.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Chairman, our plan of government contemplates three separate and independent branches, the legislative, executive, and judicial, the purpose of which is to provide a system of checks and balances, each upon the others. As long as each of the three branches retains its separate and independent status, and meets its responsibilities, our prospects of continuing as a free people will remain good.

The executive department has at its disposal the Army, Navy, and Air Force to maintain its authority and prevent encroachment by the other two branches of Government.

The judicial department has all the courts of the land, together with the prisons and penitentiaries, the marshals, and other enforcement officers, to maintain its independent status.

The legislative department has no Army, Navy, prisons, or enforcement officers to maintain its independent status or to prevent encroachment upon its jurisdiction by the other two branches of Government. It does possess, however, a powerful means of preserving its very necessary influence in our Government. That powerful weapon is the authority of Congress over the purse strings of the Nation. That authority was placed in the legislative department of the Government not for the aggrandizement of Congress, but for the benefit of the American people. It was placed in the hands of Congress as one means of protection of the citizens against possible oppression and injustice.

It is our duty, and it is our responsibility as Members to Congress, to retain that authority, not for our own benefit,

but for the benefit of the welfare of the people whom we represent.

One of the objections which I have to H. R. 4009 is that it provides, by its own terms, for a complete surrender to the executive department by Congress of the last vestige of its power over the purse strings, so far as the problems of slum clearance and public housing provided in that bill are concerned.

If H. R. 4009 passes and becomes law, the power of Congress to supervise the spending of money will be gone, insofar as the slum clearance and public housing which this bill provides is concerned.

I want to deal for a moment with the method by which the money is provided to finance slum clearance and public housing in this bill. For slum-clearance loans the bill provides a maximum amount of \$1,000,000,000. This provision is in subsection (e) of section 102 on page 7 of the bill. The administrator of the housing and home finance agency will not have to come to Congress, or the Appropriations Committee for one dollar of that money. Under the bill he may, with the approval of the President, issue his notes, in blocks of \$250,000,000, a quarter of a billion dollars, at the time, and the Secretary of the Treasury must buy them and place the money in the hands of the administrator. Subsection (f) on page 8 of the bill, beginning with line 23, directs the Secretary of the Treasury to purchase any such notes and obligations of the administrator.

The bill provides \$500,000,000 for capital grants, in subsection (b) of section 103, on page 10 of the bill. The Administrator will not have to come to Congress for one dollar of that money. This bill authorizes him, with the approval of the President, to enter into contracts to make capital grants in aggregate amounts of \$100,000,000, which may total \$500,000,000 which must be paid at all events. Beginning with line 24 on page 10 the faith of the United States is solemnly pledged in this bill to the payment of all capital grants so contracted for by the Administrator.

So, arrangements are thus made for the Administrator to obtain the entire \$1,500,000,000 this bill provides for slum clearance purposes, without ever again calling upon Congress for its assent or concurrence in the spending of this money. So far as the slum clearance provision is concerned, therefore, this bill completely surrenders the authority of Congress over the expenditures, to the executive department.

Now, insofar as the public housing provisions are concerned, in subsection (h) of section 204, on page 38 of the bill, the Authority is given the right under this section of the bill to raise money up to \$1,500,000,000, not by coming to Congress for an appropriation, but again by issuing notes, this time without specifically requiring the approval of the President. This is hedged about only with the restriction that the notes shall be in such forms and denomination, with maturity dates, and with such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury.

The same subsection, beginning with line 10 on page 39 of the bill, directs the

Secretary of the Treasury to purchase this \$1,500,000,000 of notes, which Congress again will have no voice or part in issuing, or in spending the proceeds.

The remainder of the funds for public housing under this bill, the maximum authorized amount of which is \$16,000,000,000, may be provided at the maximum rate of \$400,000,000 per year, as provided in section 205 of the bill on page 41, beginning with line 14. Contracts for these annual contributions, which are limited only to \$400,000,000 per year may run for a period of 40 years, as is provided in subsection (e) of section 204, beginning with line 9 on page 37 of the bill.

Section 205 of the bill which authorizes contributions of \$400,000,000 per annum for the 40-year period, amends subsection (e) of section 10 of the United States Housing Act of 1937 which contains the provisions that the faith of the United States is solemnly pledged to the payment of all annual contributions contracted for pursuant to this section.

So, H. R. 4009 provides in great detail the methods and machinery by which Congress at every step and stage of the procedures will be completely bypassed, and will have no further voice in the slum clearance and public housing provided for in this bill.

A strong appeal has been made for this bill on the basis that one of its primary aims and principal purposes for the elimination of slums and blighted areas, great stress has been laid upon the need for slum clearance. Some of the strongest appeals for endorsement of this legislation have been based upon the need for abatement and elimination of slum sections. Shocking pictures have been circulated, portraying horrible slum conditions. Heart-rending speeches describing slums and slum dwellings have been made. Pages and pages of space have been used in describing in great detail slum dwelling conditions and the tragic consequences which result from them.

I think that it is reasonable to expect that this bill, insofar as it deals with slum clearance and the elimination of blighted areas, would be a bill scientifically designed and perfected, in all its parts and provisions, not to weaken or repeal existing provisions of law provided for slum clearance. I think it is reasonable to expect, on the other hand, that this bill would strengthen and add to those provisions already on the statute books to aid the elimination and abatement of slum areas.

Does the bill do this?

In spending these huge sums of money without the supervision of Congress, a long list of undertakings is set forth in subsection (c) of section 110, beginning with line 22 on page 20 of the bill. In addition to the acquisition of a slum area for redevelopment, it is provided that an area which has merely deteriorated may also be acquired. Other than that, it provides that an area which has not deteriorated but is merely in the process of deteriorating, may be acquired, if predominantly residential in character. These are loose and elastic terms, and will justify the acquisition of

many classes and descriptions of property which could not in any sense of the word be called slums. The authority does not end there. It provides also for the acquisition for any other deteriorated or deteriorating area which is to be developed, or redeveloped for predominantly residential usage. This opens up another classification of property not coming within the slum classification which may be acquired with these funds. The list does not end there. It authorizes the acquisition of land which in no sense of the word could be regarded as slums. It authorizes the acquisition of land which is predominantly open, and justifies its acquisition on such grounds as obsolete planning, diversity of ownership, deterioration of structures or of site improvements, or which otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential usage. This all-inclusive and elastic language is not considered sufficient, for the subsection proceeds further to authorize the acquisition with these funds of open land necessary for sound community growth which is to be developed for predominantly residential uses.

This is all provided in title 1 of the bill, which is that part of the bill creating the machinery for the so-called slum-clearance program.

I think it would be reasonable to expect that title 1 of the bill, the slum clearance title, would contain all the major changes in the existing slum-clearance law.

Such is not the case, however.

There is one major change in the existing slum-clearance law which is contained in title 2 of the bill, the public-housing title, and it is carried in that title of the bill in such fashion and manner that one reading the language of the bill would have no notice or warning whatever that it makes a major change in existing slum-clearance law. It is carried under the heading "Technical amendments," section 207 of the bill, beginning on page 46. I think it is reasonable to expect that technical amendments would group together such amendments as have no real bearing on the merits of the legislation, but nearly perfect it from a technical standpoint.

But, upon checking the various technical amendments under section 207, such is not found to be the case.

The Housing Act of 1937 carried provisions in two places specifically and positively prohibiting the erection of newly constructed dwellings for public housing unless the Authority eliminated slum dwellings substantially equal in number to the newly constructed dwellings.

H. R. 4009 does not retain this requirement of eliminating one slum dwelling for each new public housing dwelling erected. On the contrary it repeals that very effective slum clearance requirement, and it does not repeal it by setting out the language to be repealed, or placing the reader on notice that that requirement is being repealed. It repeals it by the use of language in subsection

(d) on page 47 of the bill beginning with line 9, which reads:

By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word "Provided" to a period.

So one of the most effective provisions previously contained in the law to aid slum clearance is stricken from the law, and it is stricken under the guise of a technical amendment, not even contained in the slum clearance title of the bill.

H. R. 4009 is intended to set the pattern, and fix the policy, for the future, insofar as slum clearance and public housing are concerned. The pattern set and the policy fixed by this bill is not that approximately one slum dwelling will be eliminated for each new public housing dwelling constructed. On the other hand, if this bill is an indication of what may be expected, the repeal of that existing provision in the law would indicate that the Housing and Home Finance Agency does not intend to follow such a policy, but on the other hand desires to be freed and relieved from that requirement of the now existing law. The pattern set and the policy fixed, also is to the effect that the agency shall not have to come to Congress for its money, and that the control of Congress over the purse strings shall be surrendered entirely, insofar as the activities of that agency are concerned.

I feel also that this is not by any means the conclusion or end of the public-housing program. This bill, as it was introduced, provided for only 1,050,000 dwelling units. As proposed to be amended, it provides for only 810,000. Proponents of this legislation have stated in advocating it, that there are 6,400,000 families who live in inadequate, unsafe, unsanitary dwellings, and who need housing of the nature contemplated in this bill.

If this bill should pass it would be only the entering wedge. Having committed the country to the policy laid down in this bill, I have no doubt that Congress would be called on, again and again, for new and additional programs of construction to be carried on under the policy fixed by this bill now being considered.

Instead of the program costing the American taxpayers the maximum which it could cost them under this bill, of approximately \$9,500,000,000, calculated on the same basis provided in this bill, it could cost the American taxpayers to provide the 6,400,000 dwellings said to be needed, approximately \$105,000,000,000 in public-housing contributions, and in loans and grants for slum clearance.

Our public debt now is approximately \$252,000,000,000. It is said that we are threatened with deficit financing this year. The administration is now proposing new and additional foreign spending programs. If we pass this bill, and commit ourselves to this policy, I greatly fear that it means financial disaster.

However, I do not rise merely to oppose House bill 4009. I also want to see slums eliminated and blighted areas cor-

rected. I also want to see low-rent housing made available for every family which needs low-rent housing. I simply do not believe it is necessary to spend the huge sums of money provided for in H. R. 4009 in order to realize these objectives.

In addition to elimination of slum areas and providing low-rent housing, I also want to see veterans' housing provided for, and farm housing provided.

To that end I have introduced a bill, H. R. 5085, which I believe will provide all necessary slum clearance, ample low-rent housing for needy families, low-cost housing and rental property for veterans, and farm housing for those in the rural districts.

H. R. 5085, I believe, will do these things at approximately one-twentieth the cost to be incurred under H. R. 4009.

From 1933 until 1937 the Federal Government, through certain of its administrative agencies, financed, owned, and operated a small number of residential units in various parts of the country primarily in an effort to provide employment.

In 1937 the Seventy-fifth Congress enacted the United States Housing Act which was the first major excursion by the Federal Government into the field of providing direct subsidies for the construction and operation of public-housing units in this country. Approximately 214,718 units were constructed, with Federal subsidies extending over a 60-year period.

The Federal Public Housing Commissioner, Nathan Straus, for several years succeeding 1937 sought additional appropriations for an extension of this program, but no Congress since then has provided funds for further construction and subsidization under this act.

During the war, of course, a very considerable number of temporary and permanent housing units were constructed by the Federal Government under the Lanham Act to provide for the housing needs of the in-migrant war worker. The several hundred thousand temporary units so provided will be demolished, and the permanent units must be sold if the provisions of the law are carried out.

In any event, H. R. 4009 is the first bill to reach the floor of the House since 1937 which would extend the prewar public-housing program under the United States Housing Act.

Proponents of H. R. 4009 are urging the measure as a long-range slum clearance and public-housing measure on the grounds that it is highly necessary to establish a national housing policy and to extend the public-housing program. Opponents of the measure are equally vigorous in their denunciation of the 40-year commitment of the Federal Government to very substantial outlays of tax money and to the over-all socializing effect of the erection, ownership, and management of housing accommodations by Government bodies.

Neither side in this controversy has suggested any common ground upon which they might meet in order to improve housing conditions for our less fortunate citizens. H. R. 5085, which I in-

troduced on June 9, is an effort to provide a sensible, sound, and financially feasible measure upon which a common agreement may be reached. It provides certain Federal aids and subsidies in the matter of slum clearance and urban and rural housing.

It provides a means for veterans to acquire or rent housing under the most advantageous circumstances. It provides the means for achieving exceptionally low rentals for families of low income but within the framework of our private-enterprise system. It recognizes the need for assisting with Federal aids our farm population in the securing of proper shelter. It establishes an extensive program of housing research in order to make available improved materials and methods and to reduce housing costs. It is frankly a middle-of-the-road proposal.

As a short-range rather than a long-range proposal it has two primary advantages:

First. It will initiate activity in all of the phases of housing provided for in H. R. 4009. This would be accomplished, however, without the enormous outlay up to \$19,000,000,000 of which \$16,500,000,000 is an outright, nonrecoverable subsidy, as is involved under H. R. 4009, substituting a form of local and Federal income-tax assistance which will encourage the construction of truly low-cost rental housing for families of low income through utilizing the techniques and skills of our vast private-enterprise housing industry.

Second. Its total cost through Federal grants and subsidies would be less than one-tenth of the cost of H. R. 4009. In these days of mounting Federal debts and continual demands for ever increasing Federal expenditures, this is a feature which should commend itself to all Members of Congress. I am convinced that this alone should assure its approval by the Eighty-first Congress. If the program proves successful in operation, the Congress can approve additional expenditures within the limits of sound discretion.

Those who support this proposal rather than H. R. 4009 will know that they have initiated a comprehensive and far-reaching attack on our entire housing problem. At the same time, they will be assured that they and each succeeding Congress in the years to come will have an opportunity to change, improve, and supplement the provisions of this measure as our unfolding experience with such a program may dictate. I submit that this method of approach presents a sensible, affirmative, and progressive method by which we may attack this problem without committing ourselves and future Congresses to a long-range program which future events may prove unwise or in need of major change. This measure will start the ball rolling, so to speak, without our surrendering control of its destination.

It is now in order to discuss in some detail the provisions of H. R. 5085 as compared to those of H. R. 4009.

TITLE I. SLUM CLEARANCE

In H. R. 5085 a program of Federal assistance for slum clearance is provided

to aid the States in acquiring blighted areas and clearing away the slum properties. The land would thus be made available for redevelopment with new dwellings, commercial properties, public parks, and such other uses as may be determined as best in accordance with a redevelopment plan to be prepared by the local community. The assistance would be in the form of loans from the Federal Works Agency in an amount equal to the estimated value of the land when cleared, which loans would be repaid in part out of the sale of the cleared land. Where, as would usually be the case, the value of the cleared land is less than the cost of acquisition and clearance, the Federal Government would contribute by way of grant one-half of this difference or "write-down," and the other half would be paid in cash by the State or the city or county in which the land is located.

As a condition of receiving these loans and grants, the State would have to assure payment of its grant of 50 percent out of local funds or proceeds of bond issues. So far as possible, such cleared land would be sold promptly for private taxpaying ownership. In the event that the land more properly should be used for public purposes, it would be sold to local or State agencies. Further, as a condition of receiving this assistance, the State, city, or county in which slum or blighted area to be cleared is located would be required to have and enforce laws or ordinances prohibiting the renting or occupancy of residential property that is dangerous to health or unfit for human occupancy by reason of its physical or sanitary condition. This means that effective health and sanitary code enforcement would be required so that the balance of housing available to the public would be kept in a safe and sanitary condition.

This bill would authorize \$350,000,000 to be expended by the Federal Works Agency for these purposes. The proceeds of the sale of the cleared land would be covered into the Treasury and would not be made available for additional loans and grants without further authority from the Congress. This would give the Congress the opportunity to review progress being made in this slum clearance program and to extend it or change it as experience dictates.

H. R. 4009, on the other hand, approaches this problem in a somewhat similar manner, but would place the slum-clearance and redevelopment program in the hands of the Administrator of the Housing and Home Finance Agency and would provide him with \$1,000,000,000 in a revolving loan fund and \$500,000,000 for outright grants. This substantial sum would be expended in this fashion: Loans by the Federal Government equivalent to the acquisition and clearance cost of the slum land to be cleared would be made only to local public agencies and made payable in 40 years. The \$500,000,000 in grants would be used to pay two-thirds of the difference between the acquisition cost and the final sales price of the land for its new purposes, i. e., "the write-down."

The remaining one-third would have to be borne by the city.

Basically, the primary differences between H. R. 5085 and H. R. 4009 with respect to slum clearance are:

First. The program set up in H. R. 5085 would be placed in the hands of a nonhousing agency and the Federal Government would deal directly with the States rather than with local public agencies.

Second. The amount of money involved is considerably less in H. R. 5085 because it is contemplated that Congress would prefer periodically to review the program rather than to permit the Housing and Home Finance Administrator to expend \$1,500,000,000 without further control. The commitment under H. R. 5085 would be \$350,000,000 subject to congressional appropriation as against \$1,500,000,000 in H. R. 4009, which is made available upon the signing of the bill without any congressional control.

Under my bill, the principle of Federal assistance through loans and grants for slum clearance would be established, but the control of Congress would be assured and the separation of housing and urban redevelopment functions would be maintained. The well established matching formula which is so well known in public roads legislation would be used. Further, the States being required to contribute substantial sums would have a greater incentive to insure the most economical and efficient use of the funds.

I think that Members of Congress will agree that something in this nature must be done to begin the very necessary and socially desirable clearance of our Nation's slums. At the same time, in venturing into this unexplored territory of Federal Government participation in local affairs, we should make a modest beginning and be sure that the Congress at all times has an opportunity to review and consider the actions taken under such a program.

TITLE II. HOUSING FOR FAMILIES OF LOW INCOME

Realizing the necessity of providing really low-rent accommodations for the lower income group of our people, H. R. 5085 encourages private enterprise to do this job by the provision of several incentives. Private enterprise will construct a very large volume of rental housing if it is sufficiently encouraged to do so. Title II of this bill encourages such construction by permitting the owner to depreciate such rental property for Federal income tax purposes over a period of 120 months, which is equivalent to 10 percent per year for a period of 10 years. In addition to this, the municipality, or other local taxing unit, would be required, as a condition precedent to receiving such Federal tax benefits to agree to freeze taxes on the real estate involved for a period of at least 10 years, at the level at which it was taxing the property at the time the land was acquired for purpose of erecting the housing projects. This tax freeze feature has been adopted in New York, New Jersey, and Massachusetts. After the expiration of 10 years, both the municipality and the Federal Government could receive full taxes.

Projects built under this tax abatement and accelerated depreciation plan could be constructed only under a certificate to be issued by the Federal Housing Commissioner. This certificate would assure that the proper tax abatement arrangements had been made and that the owner of the property would make the accommodations available only to families of low income who had been certified by the local governmental agency administering public welfare as being in need of accommodations at such low rentals. The certificate and all these tax advantages would be revoked if any of the conditions were violated. Thus, the assurance that no undue advantage would be obtained by the owners of such projects would be provided by Federal Housing Administration supervision of the plan. Preference in occupancy would be given to veterans of World War II.

Title II of H. R. 4009, on the other hand, would authorize the erection of 1,050,000 public-housing units within the next 7 years at a maximum permitted annual cost to the Federal taxpayer of \$400,000,000 per year for annual subsidy contributions for the next 40 years, or a total of \$16,000,000,000. In addition to this Federal subsidy, local communities in which such projects are erected would be required to abate all real and personal property taxes on this public housing and receive instead only very small token payments of 10 percent of the shelter rents in lieu of taxes. Based upon past experience, if these projects were privately owned these taxes would amount to from \$8 to \$10 per unit per month.

Bonds issued by local housing authorities in effect are guaranteed as to principal and interest by the United States and are exempted from all Federal income taxes.

Let us see how H. R. 4009 and my bill, H. R. 5085, compare in results in providing low-cost housing for the low-income family when measured by the cost to the local and Federal taxpayer. Cost levels are under last year's peaks in the construction industry as in other industries. Private industry in most areas now should be able to produce rental housing for approximately \$7,000 a family with land adding another \$700 for a total of \$7,700. Surely, if public housing can, as it claims, attain an average cost of \$8,465 a unit, private enterprise can, and I have full confidence that it will, beat such costs by at least \$700. The normal rent on a project at such cost would be approximately \$80. However, if such a project were to take advantage of title II of my bill, I estimate that savings of approximately \$33.74 a month could be effected through the benefits of the increased depreciation rent and the real estate tax freeze feature. This would reduce the rent on such a project to \$46.26. If it becomes possible to attain a cost of as low as \$6,000 a unit on land costing \$600, rent of approximately \$40 a month could be achieved.

At a time when every thoughtful citizen is concerned with the huge and increasing Federal outlay, we must give the most careful consideration to meeting our needs in a manner that will re-

sult in the least expenditure by the Government. We must also exercise the most extreme precaution so that Government actions encourage and not discourage private business operations. The plan for housing for low income families provided in title II of my bill meets both those tests.

TITLE III. VETERANS' HOMESTEAD ASSOCIATIONS

H. R. 5085 incorporates a provision for the establishment of Veterans' Homestead Associations similar to those proposed in the Veterans Homestead Act bill (H. R. 4488) in the Eightieth Congress sponsored by the American Legion. This bill was favorably reported by the House Veterans' Affairs Committee but no further action was taken in the last Congress. The purpose of the formation of such nonprofit Veterans' Homestead Associations is to permit our veterans, through their own efforts but with the assistance of the Federal Government, to acquire or construct housing for sale or rent at actual cost.

Loans would be made available to such Veterans' Homestead Associations through the Administrator of Veterans' Affairs at low interest for amortization over a period of 40 years where the housing constructed or acquired is to be held by the associations for rental to veterans. Where the housing comprises multiunit structures to be sold or held on a cooperative or mutual-ownership basis, the loans would be for periods up to 32 years. Two hundred and fifty million dollars would be made available to the Veterans' Administrator for the purpose of making such loans. Individual veteran purchasers would finance their homes through local financing institutions. Veterans purchasing single-unit housing from an association could obtain loans guaranteed by the Veterans' Administration under title III of the Servicemen's Readjustment Act, amortizable over a 32-year period.

In order to assure that the housing so constructed would be sound and yet not overly expensive, the associations would be permitted to construct or acquire units averaging not more than \$10,000 per unit and would be required to sell or rent such units to veterans at prices reasonably representing the cost to the associations. The associations would be chartered, regulated, and supervised by the Administrator of Veterans' Affairs. Five or more veterans of World War II could apply for permission to form such an association. A veteran desiring to become a member would be required to deposit \$100 with the association. Although the net incomes of the associations would be exempt from Federal taxation, and State and local taxing authorities would be required to treat them on the same basis taxwise as similar nonprofit corporations, the associations and the individual veteran purchasers from them would be required to pay normal property taxes.

It is expected that an association would actually undertake its construction through private building contractors under firm contracts which would eliminate speculative profits, sales expenses, and so forth. This would make each unit constructed available at substantially lower prices than comparable units now

available to veterans. The monthly carrying costs or rentals on the individual units would be substantially lower due to the reduction in the initial cost and to the longer repayment periods authorized under this bill. Proper safeguards to assure conservative and efficient operations would be assured by the prior review and approval of each project by the Administrator of Veterans' Affairs.

In order to offset the present scarcity and high cost of improved land, the bill authorizes the Federal Works Administrator to aid State and local governments or associations by 50-percent grants for streets, water, and sewer, and other similar facilities wherever the Veterans' Administrator finds that such community facilities are necessary for the effective use of the housing to be erected or acquired by Veterans' Homestead Associations. This provision will have the effect of substantially lowering the first cost of the home as well as other charges imposed upon veteran home owners for public facilities. An appropriation of \$50,000,000 is authorized for the purpose of these FWA grants.

H. R. 4009 does not contain a similar provision designed specifically to help veterans help themselves. To my mind, the plan proposed in H. R. 5085, tailored to fit the housing needs of our young veterans, is the American way of assisting our war heroes. The veterans' preference provisions of H. R. 4009 in connection with the public-housing title merely gives them a preferred status in units subsidized directly by the taxpayer. There is no incentive, no self-help, no dignity of individual labor and effort. I am sure that American veterans are not basically in favor of doles or hand-outs; all they want is an opportunity to acquire a home of their own or decent rental accommodations within their means. The sponsorship of this plan by the American Legion is ample evidence of this very worth-while objective on the part of veterans.

TITLE IV. HOUSING RESEARCH

In recognition of the need of continuing research looking to improved building materials, techniques, and with the objective of reducing housing costs, I have incorporated a housing research title in H. R. 5085. The National Bureau of Standards within the Department of Commerce has long conducted pure research in many fields including that of housing. Under my bill, there would be established within the Department of Commerce a housing research unit broadly authorized to undertake an expansion of such research in cooperation with other agencies of Government, with State or local governments, educational institutions, and non-Government research and technical organizations. It could make contracts for technical research work to be done by such cooperating agencies, such contracts not to exceed 4 years in length.

The existing operations of the Bureau of the Census and of the Construction Division of the Bureau of Foreign and Domestic Commerce—which have over a period of years produced economic and statistical data of great importance to the building industry—would be ex-

panded. These existing bureaus would be authorized to conduct studies into housing supply, its condition and characteristics, costs, and related economic factors.

Under H. R. 4009 the Housing and Home Finance Agency is granted the authority to conduct pure technical research in the field of improved building materials, techniques, and methods; to conduct inquiries into housing economics, statistics, and related matters; to determine housing needs and demands; to investigate and report on supply, finance, site planning, utilities, zoning, and a broad field of similar subject matter. The Administrator then would be required to disseminate such information, views, and conclusions as might be the product of this investigation and research. Such dissemination would be without regard to the usual restrictions placed upon Government agencies with respect to use of the mails for sending out their findings. Further, the Administrator would submit to the Congress estimates of urban and rural-housing needs and recommend legislative action. The HHFA Administrator would be authorized to use the facilities of other departments and agencies of the Federal Government in such work.

It is my sincere conviction that the research provisions of H. R. 4009 are undesirable because they place in the hands of the Housing and Home Finance Agency—within which function the constituent agencies—the Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Authority—the entire responsibility for collecting, evaluating, and disseminating all information on housing for use by the public and the Congress. I believe it is unsound administrative and legislative practice for these operating agencies to have this responsibility. The conduct of pure research and the collection of information of an economic and statistical character should remain in the hands of research and statistical agencies currently carrying on such work. Under my bill their functions would be expanded and improved rather than setting up new bureaus and divisions, and thus duplicating established agencies' work. An operating agency should not have control of all information concerning the progress and accomplishments of programs under its jurisdiction.

If the research provision of H. R. 4009 is adopted, the Congress and the public will be able to obtain only such information, shaped and modeled in such manner, as the personnel of the operating housing agencies may determine. I submit that this is unsound governmental procedure. There would be nothing under H. R. 5085 to prevent the HHFA, the Home Loan Bank Board, the FHA, and the PHA, issuing such statistical information as may apply to their particular operations. On the other hand, placing all information-gathering facilities in such agencies is tantamount to inviting nothing but favorable reports of progress being made and probable future requests for an expansion of governmental functions in housing.

TITLE V. FARM HOUSING

The program for loans and grants to provide decent, safe, and sanitary dwellings for farmers provided in H. R. 5085 is very similar to that set forth in H. R. 4009, except that the grants in my bill have been increased to \$75,000,000 from \$62,500,000. The loans would be \$325,000,000 instead of \$250,000,000, as provided in H. R. 4009. The program would be under the administration of the Secretary of Agriculture and would provide loans to owners of self-sustaining farms on a 33-year 4-percent basis where adequate private financing is not available. Where the farm is potentially self-sustaining with improved farm management, the Secretary may make a 33-year 4-percent loan with annual contributions from the Government for 10 years in an amount equal to the interest and one-half of the principal payments due within that period. In a case of farms which have no practical prospect of being self-sustaining, the Secretary of Agriculture may make loans or grants or combinations thereof for the purpose of farmhouse repair and improvement—but not new structures—not in excess of \$1,000 for any one dwelling or \$2,000 for any one owner, of which not more than \$500 on any one dwelling may be an outright grant.

The Secretary may provide architectural and advisory services in connection with the provisions of this title. Preference would be given to veterans in the distribution of benefits. Of the expenditures under this title, not more than 20 percent could be loaned or expended in any one year and not more than 10 percent in any one State.

Aside from the increase in the authorizations, there are some improvements in the language suggested by the National Grange.

TITLE VI. DISPOSITION OF WAR HOUSING

This title, which has no comparable provisions in H. R. 4009, deals with the disposal by sale of the permanent housing accommodations constructed by the Federal Government under the provisions of the so-called Lanham Act, Public Law 849, Seventy-sixth Congress, and certain other companion legislation. The Federal war housing was transferred from the Federal Works Agency to the jurisdiction of the Public Housing Agency by Executive Order 9070 of February 24, 1942, which has continued the management of these properties ever since. The total number of units involved is approximately 190,000.

The buildings constructed for one or two families present no disposition problem since they can and should be sold for individual owner use. The multiunit family buildings should prove attractive for purchase by an individual or by families joining in cooperation ownership of the building. Section 4 of the Lanham Act, as amended, expressed the clear intent of Congress that such housing should be sold as expeditiously as possible. Unfortunately, the disposition of these properties has not gone forward in the prompt fashion intended by Congress. In the 4 years since the war, only approximately 24,000 of these units have

been sold. A number of others have been transferred to the armed services. Thus, on the basis of its present record it will take the Agency about 30 years to effect the entire disposal program.

In order, therefore, to reaffirm the congressional intent expressed in the Lanham Act, H. R. 5085 would require the transfer of these Government-owned war-housing facilities to the Federal Works Agency for expeditious sale for cash not later than December 31, 1950. This title is almost identical with H. R. 3492, Eightieth Congress, which passed the House June 18, 1947. In order to assure that the Federal Government receives the reasonable value of these properties, appraisals are required to be made by the Federal Housing Administrator. Veterans' preference would be granted first to veteran occupants, next to veteran nonoccupants, and then to non-veteran occupants. Purchases could be financed under applicable provisions of the National Housing Act (FHA) on the basis of 90 percent of appraised value with mortgages up to 25 years or under the Veterans' Administration guaranteed mortgage plan.

The proceeds of the sale of these Government-owned houses would be made available to the Federal Works Administrator as additions to the sum provided in title I of this bill for the purposes of slum clearance.

SUMMARY

In introducing H. R. 5085, I have sought to accomplish the purposes sought to be accomplished in H. R. 4009 without obligating the Federal Government to such immense long-term financial commitments as \$19,000,000,000 under H. R. 4009. H. R. 5085 contemplates a maximum Federal expenditure of \$1,050,000,000 in loans and grants—one-twentieth of the cost of H. R. 4009.

As mentioned before, H. R. 5085 reserves unto Congress the rights of review and control so fitting and proper in the launching of a program of Federal aid and subsidy in this important field of housing. So far as possible, my bill seeks to utilize private enterprise machinery rather than setting up new bureaucratic agencies or unduly expanding existing ones.

H. R. 4009 would set up within the Housing and Home Finance Agency a new Director of Slum Clearance and Urban Redevelopment. It would establish a housing research section in the same agency, and it would vastly expand the present Public Housing Administration. These administrative agencies would require substantial additions to the public pay roll, and the administrative costs would grow and grow.

The Member of Congress who sincerely desires to see affirmative action begun to start the progressive elimination of our slums, who desires to assist low-income families in securing shelter within their means, who sincerely wishes to help the farmer improve his housing condition, who recognizes the need for sound research in housing methods, materials, and techniques, and who sincerely desires to help the veteran help himself, I invite him to support H. R. 5085. The bill has

been offered in a sincere effort to provide a common ground upon which the Members of Congress may unite in launching an adequate and yet financially feasible housing program. I sincerely hope that Members from both sides of the aisle will join me in supporting this measure.

Supporting data for computation of rent savings attainable by higher income-tax depreciation deduction and real-estate-tax freeze.

A. \$7,000 UNIT CONSTRUCTED ON LAND COSTING \$700	
1. Depreciation at 10 (computed on construction cost)-----	\$700
2. Normal depreciation at 2½ percent-----	175
3. Reduction in net income for income-tax purposes effected by increased depreciation-----	525
4. Income-tax saving (computed on basis of 25 percent corporate tax and 25 percent personal-income tax on dividends to owner)-----	230
5. Resulting monthly rental saving (½ of item 4)-----	\$19.16
6. Saving through abatement of realty taxes on improvements (assuming \$5,000 valuation and \$35 per thousand tax rate as typical)-----	175
7. Monthly rental saving through tax abatement (½ of item 6)-----	14.58
Total saving through depreciation and tax freeze (items 5 and 7)-----	33.74
8. Rental capitulation:	
(a) Normal economic rent on project under FHA section 608 with total cost of land and buildings of \$7,000 per dwelling unit-----	80.00
(b) Less savings as above-----	33.74
(c) Low rent attainable if total savings are deducted-----	46.26

NOTE.—This computation is conservative in that it has used the minimum tax rate—25 percent—whereas most corporations of this type are subject to a 38 percent corporate-income tax. Moreover the income-tax saving to the owners on dividends received from them from the corporation has likewise been computed at the low rate of 25 percent although most stockholders in such corporations would be in higher tax brackets. Such portion of this increased depreciation as is in excess of actual earnings of the project has been computed as a loss permissible as a reduction for income-tax purposes to the owners of the projects.

The estimated savings through real-estate-tax freeze is likewise on a reasonably conservative average since the valuation for real-estate-tax purposes and the tax rate per thousand in many large cities would be considerably higher than those used above (item 6).

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. O'SULLIVAN].

Mr. O'SULLIVAN. Mr. Chairman, I rise in support of H. R. 4009, because I believe that a national emergency exists now, and has existed for some past years, as far as housing in the United States of America is concerned.

During the war years, of course, housing, except for certain Government purposes, was halted and after the shooting war ceased private industry endeavored to do its best to satisfy the urgent housing demands, but has been unable to do the job in a satisfactory way up to the present time, and it seems reasonably probable that in the foreseeable future private industry, although exerting its best efforts, cannot satisfy the most urgent housing demands.

The one thing to my mind, which should have been done after the shooting war ceased, was to have had the President of the United States of America declare a national housing emergency and thereafter by proper legal means make necessary and essential public housing a reality. The President, however, having abundant faith and confidence in the legislative branch of the Government, let the Congress of the United States first seek to solve the problem.

However, the lower branch of the Eightieth Congress found itself impotent to be even a foster father to the needed legislation, and today in the Eighty-first Congress a certain segment of its membership wants to persist in the sinful role of this legislative barrenness.

Let it be said to the everlasting credit of the majority of the other body, that 2 years ago, and now, it has handled the housing problems of the people of the Republic properly, without regard to the political affiliations of its membership, and has joined hearts and minds and hands in an effort to give the people a workable Government housing program.

During the last national campaign the matter of public housing was brought directly to the attention of the people, and the majority of the voters, in effect, approved of such a program by defeating those who were unwieldy clamps upon the wheels of public-housing progress and in their place and stead the people sent to this Congress many Representatives who had pledged themselves to support the passage of a housing law.

I was one of those new Representatives and I know and realize that I have a mandate from the people of my congressional district to work and vote for this most necessary and entirely proper legislation.

Much harsh language has been used by the opponents of this bill and the claim is freely and blindly made that the legislation is socialistic, statistic, or paternalistic; that there are no slums; that we cannot afford to do it now; that it is the entering wedge which will endanger and eventually change our present form of government; that it is similar to putting the camel's head under the flap of the tent during a storm, and then hoping against hope that the human occupants of that tent will have the courage, fortitude, and the strength to keep the rest of the camel out of that tent. Other less serious charges are made, including the claim that no necessity for public housing exists now, and that if it does exist, it is not so serious but that private industry can take care of the demands in due time.

It might be well for us to consider for a moment what persons or forces appear in these roles of objectors.

When the Nazarene walked the earth you will recall that a woman was taken in sin and was brought before Him to be dealt with, and one of His very first inquiries was concerning the whereabouts and identity of her accusers.

It might be very enlightening right here now to ask the question, Who are the accusers of this public-housing law and where are they?

First, some of the accusers are right here in Congress and also a goodly number are in the ranks of respectable civil life—in business and in noble professions. I believe that these men are acting fairly and honestly in their efforts, but like the well-fed old king of ages past, they can see the handwriting on the wall all right, but they cannot read or interpret it, and instead of being like the silly, old gluttonous king, they do not call in some holy and pious Democrat to interpret the message on the wall of the legislative banquet room.

No amount of argument will ever convince these men they are wrong. Their unfortunate plight might be described by the old saying, "A bigot's mind is like the pupil of the eye, the more light you cast upon it the more it contracts."

No, the only thing in God's world which will make some Congressmen understand this problem is the ballots of a well-thinking, well-informed electorate at the next congressional election, and of course then the messages, as has been so often the case in the past, will surely come too late.

The other accusers—those in civil life—will go on unwhipped of the justice of the people who vote.

The other group of accusers—the second section or segment of the opposition—are the real-estate lobby and other hand-and-glove lobbies, the National Association of Manufacturers, the national and local chambers of commerce, the National Association for the Prevention—oh, pardon me—for the Preservation of Constitutional Government—or was I right the first time—and other organizations and persons engaged in loaning money on real estate to builders and to those engaged in kindred money-lending ventures, and the extreme right-wingers, especially in the Republican Party, who have seized the control of that party to the real danger and menace of the Republic.

I do not want to be as unkind as some of my colleagues have been to this two-prong, or many-pronged, perhaps, group of accusers and opposers, but I do want to say that the good American men and women who have been drawn into this unholy opposition are to be pitied rather than censured. The other horn—not of the dilemma on this occasion—but something worse, should on the contrary be censured and not pitied. They are the direct descendants, I believe, of those individuals who were scourged from the temple by the Nazarene and need a little verbal whipping right now in order to be put in their proper places.

These selfish, heartless, and otherwise inconsiderate money-blinded men, although they may suffer no visible punishment here, will, I am sure, like Tantalus of old, in Hades, long for, and reach

for, the enticing cup containing 30 pieces of real-estate lobby silver, more or less, to quench their inordinate thirst, and the cup will move away from their grasp guided by unseeable hands. These men, I am sure, will suffer punishment enough both while living and after death.

I fear that we do not understand these people, and in fancy now I pretend that I am with them in their well-appointed homes. They do not see the beautiful furniture and furnishings, the works of art and all of the things therein provided to make that home livable, they see only dollar signs. When they look at their wives or children, or others who are near and dear to them, they see only dollar signs. When they retire after a grueling, selfish day to their downy beds, they see and dream only of dollar signs. When they eat their meals, they do not see dishes and edibles and potables, they see only dollar signs. When they drink their cool and stimulating, or hot and stimulating drinks, they see only dollar signs. When they go to their godless work in their magnificent offices, they do not see furniture, furnishings, people, papers; they see only dollar signs. When they drive through the streets and countryside or visit their country and other select clubs, they do not see birds, bees, insects, trees, greensward, shrubbery, or flowers; they see only dollar signs. When they listen to the songs of persons or birds, they do not see persons or birds; they see only dollar signs, and hear the jingle of money bags only.

Perhaps, also, when they die and through some poor man's or poor woman's prayers are privileged to come before God and attempt to view the splendors of Heaven, they will not see God or experience any beatific vision. All they will see will be only dollar signs. The music and the songs of the celestial choir will not be heard by them, but instead they will hear only the jingle of money bags. My, what a profitless, useless, and devilish way to live on earth and exist in eternity if my fancies are correct.

How about the claims of these misty-eyed, cobweb-befogged minds of these ignoble-hearted people?

This housing program is no more socialistic, statistic, or paternalistic than the Government road programs, the public-school systems, the city lights, gas, or water systems, the fire departments, the building of interstate bridges, the national farm programs, the national banking acts, insuring bank deposits, school-lunch programs, Government relief, and many other really decent similar programs. Yes, the old money bags, the old dollar-sign visionaries, and old money-bag musicians, raised the same witch-beguling cries against these programs as they are now raising against this housing program. Verily, where there is greed there is no heart and no vision; and where the people have no heart and no vision, they perish.

The claim that there are no slums is so terrifically untrue that I need waste no time refuting it. Slums are a reality; not a fancy.

The claim we cannot afford it, is untrue. We cannot afford not to do it. Proper housing will help to stem the tide

of adult crime, juvenile delinquency, diseases of men, women, and children, and will save the Nation thousands of man-hours of work and much money. It will give to the suffering, underprivileged, new hope and new vision. A proper home, like proper clothing and proper food, has never ruined, bankrupted, or added to the governmental problems of any entity of government, and has never destroyed a race, or a people, or a government.

A writer whose name I cannot recall has aptly stated that it was the crime of the ages to permit children to be born in the reeking, rotten slums, where the pleasant sunlight never comes, where all are starved for food, and starved for air, and starved of the right to live as people and required to revert to the foul conditions of cavemen and cave beasts.

I now wish to quote the poem of James Oppenheim entitled "Slums":

In the dusty glare of a humid morning,
The slow horse-trucks get in each other's way,
The drivers lash and curse,
The rough-paved streets are sticky with flies,
The hucksters shout, the fat dirty women
scream in the crabbed bargainings:
Filth shoves against filth, and crying children
are yanked by the arm and told
to "Shut up!"

One sees too the swindle of housing:
Vast populations are broom-swept into this
industrial devastation:

Lying tissues of plaster, brick and wood
And this acreage swarms with neglect.

The factories vomit their poisonous smokes
in the very faces of the people:

Dirt lies where it fell: the forlorn smoke-
blackened trees shrivel and wither:
And at dawn, in the refuse heaps, one sees
many dogs like jackals nosing for morsels.

Yes, humanity in the gross is ugly, dirty and
abhorrent:

War almost seems as a necessary cleansing
of this abscess:

As if Earth had a carbuncle on her smooth
and beautiful flesh.

Among all the animals, man is the dirtiest
and cheapest and ugliest:

Even a coyote has bright burning eyes, lithe
health and a clean fur:

Even a hog is enamoured of sunshine and
has a rock-strong natural huskiness:

What have we done with ourselves, we of the
race of Ulysses, David, and Roland,

That thus in the mass, we appear such
refuse?

This housing legislation is not the entering wedge of any un-American "ism." It is legislation properly in keeping with the welfare clauses of our Constitutions, State and National, and no amount of argument on the part of inordinate greed or extreme right-wingers, and their unfortunate dupes, will ever change my mind on the real American purpose of this most needed and worthy legislation.

The necessity of public housing is real, and private industry cannot do the job. It is as a fagged-out boy trying to do the work of a seasoned man. I shall not require it any longer to be a "brute for punishment." The Society for the Prevention of Cruelty to Animals might interfere if we do not step in at this time with proper, manly aid—with public housing.

This housing bill is in nowise unconstitutional or contrary to the law of the

land, and I defy the opposition to prove their contentions that it is such.

On the contrary it is in keeping with the ideas and thoughts of the great Thomas Jefferson.

Some time ago I chanced to visit again the Jefferson Memorial in Washington, D. C., and on one of the walls these great words of his are carved, which today are so pertinent:

I am not an advocate for frequent changes in laws and constitutions, but laws and institutions must go hand in hand with the progress of the human mind as that becomes more developed, more enlightened, as new discoveries are made, new truths discovered and manners and opinions change, with the change of circumstances, institutions must advance also to keep pace with the times. We might as well require a man to wear still the coat which fitted him when a boy as civilized society to remain ever under the regimen of their barbarous ancestors.

I sincerely wish that reactionary Republicans in Congress and apostate Democrats in Congress would visit the Thomas Jefferson and Abraham Lincoln Memorials in Washington, D. C., and spend a few profitable hours in these two great places, and read and absorb what is written on their walls. They would come away as "free men" and not "kept men" and be prepared to work henceforth for the welfare of their country and not for the welfare of extreme right-winged big business.

The other arguments made against this bill are entirely too puerile to deserve attention.

Now, who are the people who are for this bill? Some of them are the following: American Legion; Veterans of Foreign Wars; American Federation of Labor; Congress of Industrial Organizations; League of Women Voters; Congressional-Christian Churches of the United States of America. Council for Christian Social Progress of Northern Baptist Convention; women's division of the Methodist Church; United Council of Church Women; division of social education and action, Presbyterian Church; National Council of Negro Women; National Board of the Young Women's Christian Associations; National Conference of Catholic Charities; National Council of Jewish Women; National Association of Parents and Teachers; National Urban League; National Association of Rural Housing; National Farmers Union; International Association of Machinists; National Lutheran Council; American Veterans Committee; Jewish War Veterans; AMVETS; United States Conference of Mayors; American Municipal Association; American Association of Social Workers; American Council on Education; American Home Economics Association; National Women's Trade Union League; National Association of Municipal Law Officers; National Federation of Settlements; American Council on Human Rights; and the Family Service Association of America.

The memberships of the organizations supporting public housing totals over 60,000,000.

What do the people who are not prompted by selfish impulses to lend their support to H. R. 4009 have to say

about this legislation? The other day I received the following communication from a truly American organization which is so understanding, so human, and so Christianlike that I commend it to you for your earnest consideration.

[The Board of Christian Education of the Presbyterian Church in the United States of America, division of social education and action]

PHILADELPHIA, PA., June 1, 1949.

MY DEAR CONGRESSMAN: Below you will find a copy of the action of our national body on the subject of housing. This action was taken on May 25, 1949, at the regular meeting of the general assembly, Presbyterian Church, United States of America. This body is made up of over 800 commissioners representing about 8,500 churches throughout the United States.

Respectfully submitted.

FERN M. COLBORN,
Assistant Secretary, Division of Social Education and Action, Presbyterian Board of Christian Education, Presbyterian Church, United States of America.

STATEMENT ON HOUSING

Housing: The inability of private enterprise and the failure of our Government to provide adequate housing for our citizens has led to unhealthful conditions, broken homes, delinquency, and crime. Christian people are often unaware of the conditions under which others of their fellow citizens are forced to live. We recommend that our churches, in cooperation with other community agencies, conduct surveys of housing conditions in their own communities and initiate whatever steps may be necessary to stimulate private industry to develop housing for the families of lower middle income, and encourage local government authorities to proceed with a slum-clearance and public-housing program for low-income families. We urge Congress to adopt legislation to provide a Federal housing and slum-clearance program. We recommend that the general assembly communicate with the committees of Congress in charge of legislation securing these ends.

Many other church bodies agree with the foregoing and are marching with them hand in hand. The following excerpt from a letter I received is enlightening as far as those interested in the need of this housing bill are concerned:

My children have been eating in restaurants, poorly nourished because of no place to cook, no place to play. They are becoming juvenile delinquents. We have to live in this hotel room, six of us, and I have to work to pay \$21 a week rent. Why? Because there are no places to live. This is our America—America for thousands of refugees coming over every week—a good America for them. They seem to find places to live, while American-born families are put out on the street, have to part with their children or maybe drown them. It's all right, they're just little boys that will make good soldiers later on. Even a refugee, an old man, has a place to live in Omaha, while I have to try to live with mine in a hotel. While I work, they run the streets, eating half the time because they are sick to death of greasy restaurant food.

My husband was out of work for 1 year. He is back now and I could quit and take care of my children right if we didn't have to pay \$21 a week rent. I never know how long I can stay here as there are railroad men here and children are noisy.

Naturally as I said before there is always the river. It would be better than living like this. The wrong has just about got me.

I have received many letters of similar import from my constituents but will not take the time to quote from them now.

I have also received many expensive telegrams, many long letters, and many pamphlets from the persons, firms, and organizations opposing housing legislation, including realtors and real-estate men and organizations. They have endeavored to enlist my aid in their behalf. Many of them are friends of mine and I regret that I cannot go along with them, because the platform of my party, my campaign pledges, and my conscience would not permit of such a course of conduct. I was elected by the people, real American men and women, who not only had heads but also had hearts as well. I must remain true to my trust regardless of consequences.

In my replies to those opposing this legislation I have stated, unequivocally, where I would be when it came time to vote on this housing bill.

I will now quote a portion of one of such letters which is typical of my replies to the opposition group:

I am in receipt of yours of June 3 in which you ask me to vote against what you term "the socialized housing bill, H. R. 4009."

As you no doubt have heard, a joint poll recently was conducted by the World-Herald and my own office on important questions before the Eighty-first Congress. The World-Herald refused to publish the result for the Second Congressional District. For your information, on the question of President Truman's Federal housing program, the vote was: For the Truman program, 9,241; against, 3,015.

This is a ratio of 3 to 1 and it is the second time that the voters of my district have indicated that they favor this program. On November 2 they elected me to Congress over Howard Buffett. I was an avowed advocate of an adequate housing program; Mr. Buffett boasted that he had killed veterans' housing in Congress.

No one would welcome private initiative in the housing field any more than I. But, according to the following resolution adopted by the board of Christian education of the Presbyterian Church at their convention a few weeks ago attended by 800 commissioners, representing 8,500 churches, private initiative has failed of its duty. I quote the resolution:

"Housing: Inability of private enterprise and the failure of our Government to provide adequate housing for our citizens has led to unhealthful conditions, broken homes, delinquency, and crime. Christian people are often unaware of the conditions under which others of their fellow citizens are forced to live. We recommend that our churches, in cooperation with other community agencies, conduct surveys on housing conditions in their own communities and initiate whatever steps may be necessary to stimulate private industry to develop housing for the families of the lower middle classes, and encourage local government authorities to proceed with slum clearance and public-housing program for low-income families."

I am not a Presbyterian, but I will take the word of these honest, sincere people against that of the real-estate lobby and their ilk and dupes any day in the week.

This housing bill or some other proper housing bill must be passed.

MR. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

THE NEED TO ELIMINATE SLUMS IN THE LOS ANGELES AREA

Mr. HOLIFIELD. Mr. Chairman, you have been told that 42 of the 43 Governors have endorsed this bill, and that 46 mayors of our large cities have endorsed it through the American Municipal Association. I hold here in my hand a telegram from the Honorable Fletcher Bowron, the mayor of Los Angeles, the Republican mayor of a great city with approximately 3,000,000 inhabitants, and I want to read his telegram at this time:

Hon. CHET HOLIFIELD,

Member, House of Representatives,
Washington, D. C.:

Strongly urge your support H. R. 4009 scheduled for House debate Tuesday. This bill affords Los Angeles only opportunity to launch effective community redevelopment program. Both title I, providing funds for redevelopment and slum clearance, and Title II, providing funds for housing families displaced by redevelopment program are absolutely necessary. This legislation will enable Los Angeles to convert blighted tax-liability areas into community assets. May I urge you oppose all emasculating amendments?

FLETCHER BOWRON,

Mayor.

Let me again state that this message comes from the Republican mayor of the city of Los Angeles, a former superior court judge, a man who has been elected mayor three successive times by proponents of reform city governments.

At this point I want to give you some of the facts, not theories but facts, about the housing situation in the Los Angeles metropolitan area.

There were slightly in excess of a million and a quarter dwelling units in the Los Angeles metropolitan district in April 1947. This represents an increase from slightly under a million units in April 1940.

Despite some improvement in the quality of the housing inventory between April 1940 and April 1947, the Bureau of the Census figures show that there were still more than 106,000 units which were either in need of major repair or lacked private bath or inside flush toilet. There were, moreover, still 52,000 overcrowded units having more than one and a half persons per room. This compares with only 38,000 such units in 1940.

That the housing situation is still extremely tight in the Los Angeles area is indicated by the results of a survey of the vacancy situation made by the Residential Research Committee of Los Angeles in December 1948. This report stated:

We need 50,000 more dwelling units in the county today to bring our housing up to normal.

The study showed that in December 1948 only 0.61 percent of the unfurnished multiple units were vacant. The vacancy rate among furnished apartments stood at 0.66 percent, while the vacancy rate for single houses was 0.67 percent. Commenting on the vacancy situation the Residential Research Committee writes:

One of the most significant aspects about the vacancy situation is that vacancies are most pronounced among newer units and in higher price brackets. The survey shows that practically all vacancies in furnished apartments are in places less than 10 years old. In the unfurnished multiple field, vacancies

in modern units are 1.03 percent, compared to 0.32 percent in older units.

A distribution of the available dwelling units for rent or sale according to their monthly rental or its equivalent is as follows:

	Percent
Total	0.67
\$40 or less	.61
\$41-\$60	1.00
\$61-\$80	.39
\$81 and over	1.07

In his reply last year to the questionnaire sent to mayors by Senator WAGNER as a part of the studies of the Joint Committee on Housing of the Eightieth Congress, Mayor Fletcher Bowron said he thought that it would be desirable for 5,000 low-rent public-housing units to be built in Los Angeles over a 4-year period.

In his reply, Mayor Bowron also called attention to a recent sampling of 16,000 veterans' applications on file with the local housing authority, which showed that 59.4 percent of the veterans had incomes of less than \$1,900.

It is patent that their present incomes will not allow them to either buy or rent acceptable standard housing from private landlords or realtors—

He said—

Unless the building industry is suddenly revolutionized by use of nonconventional materials, or in some other fashion as yet unthought of, something of this situation will always exist and private enterprise will always be unable to reach all levels of home seekers.

Mayor Bowron's mention of 5,000 low-rent public-housing units in 4 years covers only Los Angeles City and not other urban areas in the Los Angeles metropolitan area. Five years ago, in connection with applications for a postwar shelf of projects, Los Angeles County proposed a 3-year program of 1,500 low-rent public-housing units for areas outside the corporate limits of the city of Los Angeles.

In supporting this slum-clearance and public-housing bill, I realize that it is only a part of the legislation necessary to give the necessary Federal assistance to residents of the Los Angeles metropolitan area and other heavily populated districts all over our country. It is my sincere hope that the great Committee on Banking and Currency will speedily bring to the floor other equally important bills dealing with other facets of the housing problem. I speak of a permanent extension of titles I and II and section 608 of the National Housing Act. It is under these titles that a major part of our houses will be built.

Permanent extension of these sections of law relating to FHA will provide long-term financing, backed by Federal Government credit, which will enable people of modest incomes to obtain their own homes, by building or purchasing them on terms they can afford. Incidentally, it will enable real-estate offices, builders, and contractors to maintain their business at a profit level of activity.

It is ironical that the real estate interests and the builders who are so anxious to obtain Government credit to stabilize their business and maintain

their profits at the same time, like dogs in the manger, do not want people who are unable to buy or build under FHA to have decent, safe, and sanitary homes.

I submit that no real estate man or builder, who has integrity and honesty, can accept the stabilization of his profits through Government action, and at the same time oppose Government assistance to those who cannot help themselves through the FHA program.

Another facet of the housing problem which is equally important, is the reactivation of the GI building program. The Congress agreed in past legislation that the GI's should be given a favored position in obtaining housing. This objective has been accomplished in the past by a full secondary market and the low interest rate of 4 percent. The program has seriously dwindled because of the loan guaranty limit of \$4,000 and because of the refusal of savings and loan companies and banks to absorb in their portfolios additional 4 percent mortgages. The reason they have refused to maintain their previous level of GI loans at 4 percent is that the general level of interest in the United States has risen, and 4-percent loans are no longer attractive to private lending institutions.

We are faced then with two alternatives. Either the Government must advance direct loans at 4 percent interest to the veterans, or the generally accepted current interest rate of 4½ percent must be met in order to obtain private financing for GI housing. This policy must be determined by the Congress.

While I would like to see the veterans obtain their financing at the lowest possible interest rate, I realize that it is politically improbable that this Congress will pass legislation which will provide for direct Federal loans to individual GI home buyers. If such a program could be evolved, I would support it. But, believing that it is improbable of accomplishment, I think the next best thing, if we expect to reactivate GI home building, is to pass legislation which will provide for a 4½ percent interest rate, full secondary mortgage guaranties, and longer term amortization of these loans.

Such legislation is embodied in H. R. 1324, which I introduced in the House on January 13, 1949, and which Senator ELBERT THOMAS introduced in the Senate, S. 616. This legislation will provide one-package loans at low monthly payments, and at an interest rate which is reasonable, and, which at the same time, will attract private capital into the building field.

I hope that the Committee on Banking and Currency will soon give their attention to the other factors which are necessary to the provision of an over-all home-building program to meet the critical needs of the people of the United States.

I have introduced a bill for this purpose, H. R. 1324, which I hope some day to be allowed to testify for in the Committee on Banking and Currency. But I realize we have to do this a step at a time. This, certainly, is the first step

and we have to concentrate on it and pass this bill, H. R. 4009.

The CHAIRMAN. The time of the gentleman from California has expired. Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, I rise to speak in support of this most worthy housing bill—H. R. 4009—which is now under consideration by the House. This measure to establish a constructive and practical national housing policy and objective through its provisions calling for slum clearance, public housing, rural homes and housing research, is one of the most progressive and enlightened pieces of legislation ever debated by the House of Representatives. Its passage will mark a major milestone on the road to the solution of the Nation's critical housing problem, and will strengthen the housing industry to make possible the meeting of America's long-run housing needs. As such, H. R. 4009 deserves the full backing of every Member of this distinguished body, and I am happy to give it my unqualified endorsement.

I take this opportunity to declare my firm belief in the entire underlying philosophy of this bill. In my opinion, the policy declaration expressed in this bill to the effect that "the general welfare and security of the Nation and the health and living standards of its people" requires the elimination of the current housing shortage, and existing slums and the realization of a decent home for every American, is in keeping with the best American tradition. The right to a decent home in healthy surroundings is the democratic right of every American, and this bill defining this objective expresses the aspirations and hopes of every member of our society.

THE NEED FOR A HOUSING PROGRAM

It is a well-documented fact that the housing situation in the United States is deplorable, that it is a national disgrace. In the first place, there is the current housing shortage. It is estimated that between two and three million American families—about 40 percent of them belong to veterans of World War II—are today without homes, and who are now forced to live doubled-up with relatives and friends, or to exist in trailer camps and rooming houses. And the Nation's housing needs are increasing with the increase in population; statistics show that by 1960 we will need about 7,000,000 new non-farm-housing units just to place a roof over our growing population.

This does not take into account the substandard and dilapidated conditions of existing housing facilities. To simply place a roof over the heads of all Americans is not the American ideal, but the task is to provide homes in which Americans can live decently and happily. Yet the statistics show that 40 percent of nonfarm dwellings in the United States are substandard, and that nearly two-thirds of all farm dwellings are in the same condition. Hence, any satisfactory housing program must not only build enough homes to provide space for the homeless of today and the increase in the number of families, but it must also

make possible the replacement of these substandard homes in the city and rural slums of the Nation with sanitary, modern, and up-to-date homes for our people.

In short, the statistics show that the task of supplying the housing needs of America involves the construction of some 16,700,000 new housing units by 1960. This is a gigantic task, but one that we must accept and take positive action to fulfill.

MINNESOTA HOUSING CONDITIONS PARALLEL NATIONAL PATTERN

The present housing crisis, with its acute shortages, overcrowding, city and rural slums, is not confined to any one area—it is not a State or sectional problem, but one which exists throughout the Nation, and extends to every State in the Union. It affects New York just as it does California—it extends from Michigan to Louisiana and from Massachusetts to Oregon.

As the Representative of Minnesota's Eighth Congressional District, I am very familiar with the housing conditions of my home State, and I can testify that the housing situation in Minnesota parallels the national housing pattern.

The same immediate housing shortage exists in Minnesota as it does on the national scale. Recent surveys show that about 10 percent of all families in the Minneapolis-St. Paul area cannot find homes and are forced to double up with relatives and friends. Hundreds of veterans in the city of Duluth are without housing facilities. One out of every seven families in Hibbing are without homes, and in Virginia, Minn., the ratio is one out of every eight.

Minnesota is likewise plagued with substandard housing in both town and country. According to a 1947 study made by the agriculture experiment station at the University of Minnesota, the following conditions exist in my home State:

First. In 1940 approximately 47 percent of all homes in Minnesota were without running water; 49 percent had no flush toilets; 52 percent had no central heating; 36 percent had no electric light; 68 percent lacked mechanical refrigeration; and 18 percent need major repairs.

Second. With respect to the 394,673 urban dwelling units in Minnesota about 25 percent of them had no central heating; 49 percent lack mechanical refrigeration; and 10 percent need major repairs.

Third. Rural housing in Minnesota is in worse condition than city housing; 88 percent of them lack running water; 92 percent lack flush toilets; 70 percent lack electric lights; and 27 percent needed major repairs in 1940.

In short, Mr. Chairman, at least one-third of the urban homes in Minnesota are below standard, and approximately two-thirds of rural homes are in the same condition. This is the prevailing condition throughout the entire United States, and I say that a Federal housing program is absolutely necessary to furnish the type of homes in adequate numbers which the people of my State and the other States want and deserve.

ONLY THE REAL ESTATE LOBBY OPPOSES HOUSING LEGISLATION

This housing bill, H. R. 4009, has almost universal support of the American people. All the great labor organizations—the A. F. of L., the CIO, the railroad brotherhoods—have endorsed it. Every major veterans' organization, the American Legion, VFW, DAV, AVC, the Jewish War Veterans, and the Catholic War Veterans, have all given it their approval. Likewise, the Farmers Union and the National Grange, the American Municipal Association, the United States Conference of Mayors, the League of Women Voters, the National Conference of Catholic Charities, the Congregational Christian Churches, the National Council of Catholic Women, and the National Council of Jewish Women are giving this measure their full support.

Although this housing bill has the overwhelming support of a vast majority of Americans, and in spite of the fact that its passage is in the public interest, we find that certain selfish interests are opposing it. These reactionary and anti-social forces, headed by the real estate lobby, are howling socialism and spending enormous amounts of money in a propaganda campaign of misrepresentation and falsehood to defeat this measure.

This propaganda at its worst is represented by the greeting card technique—no doubt others in this House also received the message of the National Retail Lumber Dealers Association on what looks to be a birthday card. When the card is opened, the reader finds that the lumber dealers' idea of humor has not changed much in the last 25 years. I hope that everyone will read this greeting card, since it must have cost the lumber dealers enough to build several houses, even without new and improved techniques which they deplore.

A more subtle form of propaganda is represented by the efforts of the Home Builders Association of Metropolitan Washington, whose economy housing project has the praiseworthy objective of utilizing modern techniques. But was it a coincidence that a letter inviting Members of Congress to view this project arrived last Friday, and that the open house was scheduled 3 days before this body started debate on a public housing bill?

The home builders' letter stated, and I quote:

Here is a demonstration right in the Nation's Capital of what the builder under private enterprise is doing and will continue to do in providing low-cost housing for low-income groups.

What is the builder doing? A representative of my office visited the economy project last Saturday, making the long trip to District Heights. No blame attaches to the builder that it was necessary to go miles away to obtain cheap lots at \$1,200 apiece, and I want to state that the builders displayed real ingenuity in building houses to sell at \$7,000 for a one-bedroom and \$8,000 for a two-bedroom dwelling under these circumstances.

Despite the builders' ingenuity, these houses are not satisfactory. They are

small—smaller than the average apartment. They are not economy—house cheap—the monthly payments will average more than \$50, which does not count utilities and other extras that every homeowner runs up against.

Still more important, these houses were not built by regular contractors. They were built by the association, and the builders themselves admit, first, that they do not know whether contractors will be convinced that they can build them at a profit, and second, they do not know whether financing will be available even under the GI-loan program.

Here, then, we find two economy houses. We find the builders working to design and build them for over a year. We find the builders running all over town to obtain financing, on their own admission. We find veterans falling all over themselves to purchase these two houses, in spite of their inadequacy. So many veterans want to buy, I am told, that it has been arranged for the American Legion to draw the lucky winners' names out of a hat.

I personally want to compliment the Washington home builders on their demonstration. I believe that they proceeded in good faith. They have built two houses, and I hope that they persuade others to build many more with many more improvements. There is a real place for private enterprise in the housing field.

But I believe, too, that this demonstration has shown once again that private enterprise alone has not done and cannot do the whole job, either here in Washington or anywhere in the Nation.

One of the charges made by these enemies of decent housing for the people is that this measure costs too much—that it will cost \$20,000,000,000. Of course, the true fact that H. R. 4009 calls for an expenditure of about half that amount over a period of 30 years is of no interest to these unscrupulous gentlemen.

I would like to remind the real estate lobby that America cannot afford to be without this housing program—the social cost of slums and bad housing conditions are so great that they threaten national security. There is a direct relationship between bad housing and disease, crime and Government expenditures, as the following facts, based on previous studies, will demonstrate:

First. The pneumonia rate in slum areas is 3 times as great as in normal residential areas, the infant mortality rate is 6 times as great, and the tuberculosis rate in slums is nearly 11 times as great as under sanitary housing conditions.

Second. The crime rate in slum areas is 5 times as great as it is in better housing areas—the juvenile delinquency problem is manifold greater in slums than other city areas.

Third. Slum areas cost city governments much more per capita in connection with expenditures for fire and police protection and for health and other services. Yet, slum areas contribute the least amount in the form of per capita revenues to maintain city government; and

Fourth. The future citizens of America—our children—are the chief victims of the slums and blighted areas of the Nation. The committee report on this bill sums up this point very well when it says:

Unfortunately, the effects of poor housing leave their heaviest toll upon the millions of children who are being obliged to spend their formative years either in dreary, unhealthful slums, or in overcrowded dwellings in which normal family life cannot be achieved. The maintenance of our way of life and our aspirations as a people and a democracy depend to a large extent upon these children whose attitudes and minds are being formed for the future in the homes of today.

The real-estate lobby also raises the bugaboo of socialism, which is the usual phoney argument used by all reactionaries whenever progressive and liberal legislation is proposed for the benefit of the people. This argument is wholly without foundation. H. R. 4009 will strengthen free enterprise—it is designed to help free enterprise to build the homes needed by the American people. It is based on the assumption of free enterprise, and it will operate in this kind of a system.

The authors of this bill have recognized the simple fact that the private construction industry has never been able to supply America's housing needs in the past, and they are incapable of doing it today. Let me remind the House that the average annual construction during the boom years of 1920-29 was only 723,900 homes, and that the average during the depression period fell to only 273,000 homes a year. Last year only about 900,000 homes were built by private enterprise in spite of the enormous public demand for housing—today this rate of construction has fallen smartly in the face of our ever-increasing housing needs. Even those are so expensive as to be out of the reach of the average family's pocketbook.

Hence the purpose of this bill is to help the private construction industry do the job that they cannot do by themselves—it is a policy designed to bolster and strengthen this industry.

H. R. 4009 IS MUST LEGISLATION

Mr. Chairman, housing legislation along the lines of H. R. 4009 has been passed three times by the Senate during the last 4 years, only to have it blocked in the House by the selfish real-estate lobby. We cannot allow this to happen again—we cannot permit the real-estate lobby and other vested interests to deny decent housing to the American people again.

This measure now before us is a practical measure providing a workable housing program for the Nation. In its declaration of policy which sets forth the goal of decent housing for all Americans, the measure reflects the democratic aspirations of the American people.

In its provisions which authorize Federal loans and grants, it enables communities to take the first step toward the elimination of blighted areas and slums in our cities. The clearance of slums is a task that private enterprise is unwilling or unable to undertake, and com-

munities cannot do the job by themselves. We cannot afford the deficits resulting from slums any longer—a deficit in humanity caused by generations of children being brought up under conditions of misery, disease, and delinquency. Public action stimulated by Federal funds as provided in this bill is necessary to clear these slums which are a disgrace to the Nation.

The public housing features of this bill are necessary to provide better homes for low-income families at rents that they can afford to pay. There is no other way in the foreseeable future to provide better housing for these low-income groups than the Federal subsidy provided in this bill.

Passage of this bill is needed to make available better housing to the low-income farmer. Rural slums are a blight upon the national landscape and are hazardous to over a million farm families. This proposal to grant Federal loans at low-interest rates is absolutely necessary to make a start on the farm-housing program.

Finally, the program of technical research in the housing field is necessary to modernize the entire home-building program and to utilize new and better methods in our effort to secure the type of homes that Americans need and deserve.

In conclusion, Mr. Chairman, I say that the passage of H. R. 4009 is of the utmost urgency and that the housing program which it embraces is already too long delayed. We cannot afford to wait any longer—the Congress cannot stand idly by and condemn our veterans to a continued and permanent existence in trailer camps and rooming houses. We cannot doom another generation of American children to a childhood spent in disease- and crime-breeding slums. Congress must not fail the American people whose housing needs are critical. I call upon all Members of the House to give their wholehearted support of this measure to establish a comprehensive housing program for the Nation and to vote for its enactment into law.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, for 3 years the United States House of Representatives has been considering the housing problem of the Nation.

Even down to the last nail.

The printed hearings on the subject run into book-length volumes.

An average house, which man once built entirely by hand, has lately become a very difficult and complex study.

Why this should be so is hard to understand.

Shelter is second only to food as a basic requirement for sustaining life.

Thousands of years ago our ancestors learned how to put roofs over their heads, by necessity.

But we, by design or otherwise, seem to have lost that elemental ability.

It is true that we were the first nation to develop the mass-production technique which will, this year, enable us to manufacture 6,000,000 automobiles.

Now, much as we may need and enjoy this form of transport, few people will

maintain that a car ranks next to food in priority.

There are some folks who spend so much time in their cars that they appear to live in them, but most will agree that cars, or trailers, will never supplant the home.

However, we are faced with a strange paradox.

We can build cars in quantity but not adequate shelter in quantity.

We have the capital, the skilled labor, the contractors, and a wealth of ingenious products with which to build tenements.

But they are not being built.

Young married couples and their babies have to live with in-laws, creating health problems and social tensions which are not good for anyone.

This is not an extreme example.

It is all too common.

It is midway between those whose heart's desire is to buy a small home of their own at a price which they can afford to pay, and those who are forced to live in the disease-breeding and crime-festering slums of the big cities.

Billions are expended for defense but how much for constructive security?

Or, what good is a strong shell if the substance within deteriorates?

The American people are puzzled and disturbed by our immediate response to external dangers and our lack of interest in home problems.

They suspect that the problem of housing has become the victim of evasive tactics on the part of those who insist on doing business in the good old discredited way.

Some adjustment to reality is necessary for every individual who would be healthy, happy, and become a productive person.

It is no less true of any group or nation.

We in the United States takes pride in our progress.

When we find a new and better technique, we discard the old one.

We know that any business which fails to keep pace with competition, falls by the wayside.

The economy has lived up to this competitive challenge with one glaring exception.

Lagging behind all others is the building industry, stubbornly insisting on outmoded methods, and demanding of owner and tenant alike the excessive costs which they cannot pay.

Behind the scenes of this struggle to provide decent shelter for our people are the lobbyists who ignore the dangerous social implications of their concept of profit and would aggravate those tensions upon which subversion thrives.

In turn, they are their own worst enemies because they are keeping the door shut on the greatest opportunity they have ever had to be of service to themselves and to the Nation.

Look at the vast market for homes and rental units if mechanics, contractors, and realtors, building-material manufacturers and municipalities will only work together to bring costs down within reach of the people who need and want modern living quarters.

The blunt truth is that they are failing to do this.

Instead, they are working at cross-purposes, and missing that integration, imagination, and scientific application with which they could solve the problem.

We have waited and waited, but they have not been able to do the job.

The population is increasing, overcrowding present facilities.

Slum areas, like cancers, are spreading to ageing properties.

And the irony is that the very rent controls which the real-estate interests fight against are extended because these same interests do not show the constructive leadership expected of them.

We would have no rent controls if they had lived up to their responsibilities.

But they did not deliver the goods.

The result is that we still have a housing shortage and rent controls, when we should have had modern housing for most of our people in a free market.

Perhaps they fear that new houses will reduce the value of older ones.

What else are we to expect in a competitive economy where the obsolete must give way to that which is an improvement on the old?

Or do they really prefer the monopoly of the status quo, thereby contradicting that freedom of enterprise of which they speak so fondly?

I wonder.

The State Housing Board of the Commonwealth of Massachusetts for example, estimates that 75,000 families in that State are in need of housing.

Of these, 60,000 are veteran families.

In addition, there is a substantial need for low-rent units and for the clearance of substandard areas.

Nine years ago, when the last Federal census was taken, over 262,000 dwellings in Massachusetts, or 21 percent of the total, were found to need major repairs, or to lack private baths.

Today, most of those structures are still in use and are 9 years older and so much worse.

And this is in one of our higher-average income States.

As Mr. Frederick W. Roche, chairman of that State housing board said at a United States Senate hearing on this subject, and I quote:

While awaiting action on the Federal level, Massachusetts has not been idle.

The Commonwealth has pushed ahead with its own State housing plans based upon municipal and State credit.

The legislature has authorized the cities and towns to borrow up to a total of \$100,000,000 with which to construct housing for rent for 5 years and subsequent sale to veterans, with the State participating to the extent of 10 percent.

Massachusetts has also adopted one of the most extensive public housing programs in the country.

In April 1948 the legislature unanimously adopted a program guaranteeing the notes and bonds of local housing authorities to the extent of \$200,000,000 and will make available annual subsidies of \$5,000,000 for 25 years to provide rental housing for the low-income veteran families of the Bay State.

In addition, there is permissive legislation authorizing the insurance companies and the savings banks of the State to undertake rental-housing projects.

Means have also been provided whereby urban redevelopment agencies, private and public, can be established to take advantage of any Federal aid.

There are 109 housing authorities in Massachusetts, more than any other State in the Union, each one of which has the statutory power to undertake low-rent housing and urban redevelopment projects.

In spite of its bold and progressive program, Massachusetts cannot do the job alone.

The program still leaves a considerable number of middle- and lower-middle-income families unprovided for, and makes no provision for the lowest-income families.

For this, more funds and more credit are needed.

In the conservative State of Massachusetts, we feel that aid for housing, urban redevelopment, and slum clearance should be a Federal undertaking.

With its broader tax base, the Federal Government is the proper agency to extend the necessary credit, make the necessary loans, and to provide the subsidies or annual contributions needed to absorb the difference between an economic rent and the rent which the low-income family can pay, and to take up the difference in cost between slum land and replanned land.

I believe that those States, like Massachusetts, which took courageous action on their own to make up for congressional delays, should not be penalized for the service they are giving to the citizens. A service which the Federal Government should have provided long before this.

Certain obstacles such as the requirement of the elimination of substandard dwellings, the so-called equivalent elimination requirement, and the limitation of costs to \$2,500 per room should be removed. To clear the way for conversion of State-aided projects to a federally aided basis.

A balanced attack on the housing problem requires the participation of private builders and the Government.

A public-housing program restricted to the lower-income families is no threat to private builders because they cannot serve this area without undue risk.

Furthermore, Federal financial aid to cities for slum clearance is a function which only Government can perform.

In fact, this would help private builders by opening up close-in sites at more reasonable land values.

That leaves a mass market of middle-income and lower-middle-income families which the building industry can best serve.

Opposition to public housing projects for the lower-income groups is based on a clearly unrealistic position.

Why should builders waste their time and energy in fighting the inevitable?

They admit that they cannot do this particular job which must be done.

It would be far better for themselves as businessmen, and for those of their fellow citizens who are denied suitable living quarters because of obstructionist tactics, to face the fact that there are sharply defined areas of responsibility, and to proceed accordingly.

An attitude of "my way or nothing" is self-defeating.

It is responsible for the present deadlock.

Meanwhile the problem becomes ever more critical for those most in need of healthy and hopeful housing accommodations.

This is indefensible in view of the reasonable amount of give and take which would clear the way for an over-all solution, a solution that would open up the mass market of low-priced homes for the private builders.

I feel that a housing bill, apart from its emergency objectives, should also encourage private enterprise along the lines suggested in the following letter dated April 15, 1949:

HON. THOMAS J. LANE,

Lawrence, Mass.

MY DEAR MR. LANE: We feel that we are one of the largest home builders in New England.

The enclosed Boston Globe supplement evidences this fact; namely, 700 single homes completed in 1948.

The construction of these homes was made possible only by FHA, title VI, section 603, financing, which expired April 30, 1948.

Our plans for 1949 called for the construction of 900 more of this same type of single home to sell in the \$7,500 to \$8,500 range, but because of inadequate FHA financing we have had to abandon this program.

We are sure that every home builder in New England joins us in urging you to carefully study what this section 603 financing has meant to private housing interests in the past, and earnestly request that you and your colleagues take steps to reestablish same.

I would be pleased to discuss with you, at your convenience, the merits of this type of financing as seen from the home buyers', the banks', and the operative builders' point of view.

Respectfully yours,

KELLY CORP.,

JOS. F. KELLY, President.

The importance of the home in our national economy bulks large when we consider that in normal years:

First. Home construction comprises one-fifth of our total national output of capital goods.

Second. Home indebtedness accounts for almost one-third of long-term private debt.

Third. Residential property provides almost one-half of local tax revenues.

Fourth. Rent and household operations account for more than one-fourth of consumer expenditures.

It is for these reasons that we should encourage the building and buying of homes.

However, in the legislation under discussion, we must give major attention to the emergency aspects of the problem.

And we must bear in mind that our housing shortage is not merely a post-war interlude.

As far back as 1937, one-third of the Nation was ill-housed.

House Report 1564, Joint Committee on Housing, states that at least 5,000,000 families are living in slums, in decrepit shacks that are fire-traps and health hazards, without water and electricity, with rats in the cellar and privies in the back yard.

Over 2,000,000 families are living doubled up.

Another 4,000,000 families are living in dilapidated structures that will soon be slums.

Contrast these facts with the population needs which are increasing at the rate of $2\frac{1}{2}$ millions every year and the 2,000,000 new families which are formed by marriage every year.

The cost of new homes has more than doubled since 1939.

People need homes but they have been priced out of the market.

If we did not have rent controls, they would be priced out of lodgings.

The housing industry cannot, or will not, build rental units to keep up with the demand.

In this crisis, the Federal Government must step into the breach and fill the gap.

If it defaults on this obligation, the richest nation in the world will stand indicted for criminal negligence in failing to provide for one of the basic needs of its people.

And it will give to the Communists a ready-made argument with which to foment social unrest.

The slums have been with us a long time, but have the real-estate interests ever done anything about this growing menace?

No.

What is more, they do not want anybody to do anything about it.

They try to rationalize the situation by saying that it is a good testing ground for character, romantically pointing to those who made good in life despite the handicaps of a slum background.

They do not choose to see the disease and crime which also come out of those same slums to threaten the rest of the community.

They even ignore their sole yardstick of dollars-and-cents values.

Rotting slums cause economic losses that are at least 10 times the tax revenues received from them; and the losses from juvenile delinquency, sickness, and crime can never be gaged by an adding machine.

Slum areas' costs in municipal services over revenues is from 3 to 10 times as much per capita as in healthy communities.

For a sample case history, let us take the industrial city of Detroit.

We find that in its slum areas, the pneumonia death rate is 3 times as high as in the rest of the city, crimes are 5 times as high, infant mortality 6 times, tuberculosis death rate $10\frac{1}{2}$ times; and it breeds 15 times as many criminals.

Although real-estate interests frequently make a larger return on their investment from slums than they do from other types of housing, they, too, must eventually pay for the blight of exploitation.

Sooner or later the Federal Government must step in to avert chaos.

The indifferent real-estate operators are solely responsible for the very situation in which they now violently oppose every remedy.

Having caused the disease, they refuse to call the doctor.

They hope to avoid paying their share of the fee, on the wishful assumption that the patient may somehow stagger through on his own.

But I say that the public interest, its health and security, has the paramount claim to our consideration.

We believe in home ownership as one of the main props of our society, recognizing the happiness and freedom that stem from such individual effort and achievement.

But we cannot close our eyes to those areas where so many people, far from owning the dwelling units where they live, cannot secure tolerable rental quarters.

It is in this domain that the home-building industry has failed over a long period of years.

And it is this national disgrace which we propose to remedy by legislation to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

To call this socialistic is to becloud the issue.

The housing need is desperate, aggravated by the four postwar occasions on which the real-estate lobby has sabotaged housing legislation.

It is high time that the housing industry changed from a negative to a positive program by modernizing itself and by bringing down the costs of private housing.

In this way it can save the enormous field still open to private enterprise, instead of wrecking that small part of the job which it cannot do.

They should wake up to this reality of 1949, that low-rent housing and slum clearance and the special housing problems of farmers are legitimate goals of Government action.

The most effective service which the housing industry can bring to this problem, if it will, is to so reduce costs that an extension or even continuation of subsidized housing in the future may be unnecessary.

Meanwhile conscience and common sense demand that we take steps to alleviate the distress of millions now barely existing in dark, unsanitary, overcrowded, and dangerous hovels.

Is \$350,000,000 a year over a period of 30 years too great a price to pay for a basic, domestic security?

Or would we prefer to lose 10 times that amount through disease, crime, and crippled morale?

The answer is obvious, but the American public is anxious for us to give it form and substance.

Mr. RODINO. Mr. Chairman, as we proceed to the consideration of H. R. 4009, I would like to call to the attention of the Members of the House several significant facts that mark this bill as a signal forward step in the welfare and progress of this democracy.

Unlike various measures that we have considered in the past few years, H. R. 4009 is not just a bill to tide us over through a housing emergency until we can work out something better and more lasting. This bill is the product of long consideration, thorough exploration, and careful and intensive study. It undertakes to establish a national housing policy consistent with American methods and ideals and to equip us to carry out that policy more effectively through the removal of slums, the provision of decent housing for low-income nonfarm and farm families, and the lowering of construction costs.

For the last 4 years this legislation has been under national discussion in the Chambers of the Congress and throughout the Nation. I doubt if any piece of legislation has ever been so thoroughly debated and investigated. The more we have discussed it, the more its basic principles have won support among the Representatives of the Congress and among the people of the country. The time that has been spent in these deliberations has pressed hard on those who have anxiously awaited such assistance to relieve them of their urgent housing problems. But that time may not have been entirely lost, if now, with full understanding and widespread agreement, we act with decision and dispatch, and write into law these measures which will help to bring to the people of this Nation homes that represent the ideals and the strength of a great democracy.

When the war ended and we began once more to attend to the unfinished business of our domestic economy and welfare, housing occupied a top place on our peacetime agenda. We had, prior to the war, made significant advances in improving our housing standards and in broadening the base of good housing and home ownership among our people, including an initial but limited approach to the problems of low-rental housing.

But these earlier efforts, like our immediate programs after the war, were partial, unrelated, and piecemeal attacks on various segments of the housing problem. There was a general recognition at the end of the war that we needed a comprehensive approach and policy in the housing field, one that would provide consistent and appropriate support for a prosperous, stable private enterprise operation and one that would additionally provide for those difficult yet vital areas of housing need which private enterprise could not meet.

The legislation originally introduced in the Congress in 1945 to serve this end embodied a broad range of measures designed both to expand the area of private enterprise operations and to supplement it with Federal aid administered through responsible local authority. This legislation has been extensively and exhaustively studied and debated. It has been

modified in many of its specifics. It has had the benefit of a 6 months' national survey of housing by a joint committee of the Congress. It has been passed in its main principles by the Senate three times. Most of the private enterprise proposals originally introduced have been expanded and enacted into law.

The remainder of this bill, that part which deals with the most neglected areas of our housing need and which undertakes to relate all of our housing activities to a considered and consistent national policy, comes now before this House for the first time. The Members of this House, most of whom have long since known and understood the significance of such legislation, are at long last to be given the opportunity of voting on it. It is a vote long delayed by emergency pressures, by conflict and controversy. The bill, however, comes before the House now with an even greater measure of agreement and conviction throughout the Congress and the Nation, and represents a policy and an approach which has surmounted party and partisan lines.

The bill has for a long time had bipartisan cooperation and support in the Senate. In the House substantially the same proposals have been included in housing legislation introduced this year under the sponsorship of 10 Republican House Members. Substantially the same provisions as are before us today, in fact, were favorably voted out of the House Banking and Currency Committee in the last Congress when the Republican Party had majority control, but were prevented from reaching the floor for a determining vote.

The simple fact is that the problems it deals with are not partisan problems. They are the common concern of Democrats and Republicans alike in their home communities and constituencies, and the assistance that will flow from such legislation will serve the people of our cities, towns, and farms, regardless of any partisan preference.

The bill is presented to us here after full open hearings and further careful consideration in the House Banking and Currency Committee. While paralleling in major respects the bill already passed by the Senate, H. R. 4009 as reported by the committee has been further examined and additions and amendments that were felt to be desirable and necessary have been added.

In the many housing measures that the Congress has taken thus far, it is evident to all that certain fundamental problem areas have remained without hope of cure and that we have lacked a cohesive pattern or well-defined sense of direction both in formulating housing legislation and in its administration.

This bill supplies the missing links of our housing policy. It equips us to attack those difficult and critical problems of slums, low-income housing, and farm housing, and the basic and baffling problem of costs which has grown greater as we have been seeking the most suitable formula for meeting them.

No one offers this housing bill as the final and ultimate answer to all of our housing woes. Even during the 4 years that this bill has been under discussion, additional housing problems have de-

veloped with which we must cope. Certainly in the field of middle-income housing, we need further study and action as soon as possible.

But this bill does fill out general basic programs through which our major housing problems can be served. It establishes a framework for our entire housing policy through which, as circumstances now or later require, we can discuss, explore, and enact the type of legislation most likely to serve our needs within an approved and accepted policy.

Under the declaration of policy in this bill, we agree that it is the goal of this country to enable every American family to obtain a decent home and living environment. That policy states, however, that the primary responsibility for accomplishing this goal belongs to private enterprise, with Federal aid to be used for those needs which cannot otherwise be met. There is nothing especially novel or startling in such a policy declaration, since it represents the convictions and practice that we have followed and recognized in this country in many other fields of national interest. It is significant, however, that we should at last declare such a policy with respect to our housing problems and that we should establish such a basis for our housing programs and activities.

We have provided many various measures to support and encourage private enterprise in providing housing to our people, and we shall no doubt add to those, particularly in those lower-cost areas where the need is great and the difficulties real. We have done virtually nothing, other than a limited initial program before the war, to relieve the burden of slums from our hard-pressed cities, or to meet the companion problem of providing decent housing for those whose incomes will not support decent privately owned dwellings, or to cope with our seriously deficient supply of farm housing.

Yet we have some 6,000,000 non-farm-housing units today that are substandard by any reasonable measure of minimum requirements for decent and healthful living. Every fifth family, on the average, in our towns and cities has no choice but to live in a slum dwelling. One-fifth of our families, in fact, had total family-money incomes of less than \$2,000 in 1947, and one-third of them less than \$2,500.

And while families are obliged to dwell in slums, to rear a large part of the Nation's children under conditions which endanger their future, the cities themselves find themselves drained and bled by the waste and high costs of maintaining and servicing these areas. There is a real and unavoidable cost attached to the reclaiming and redevelopment of these lost and costly areas of our cities, but there is an endless and far greater cost, both economic and human, that must otherwise be paid through the toll of crime, disease, and delinquency and in the progressive liquidation of property values and municipal investments.

We have heard the claim that the cities and States should take care of their own, without Federal assistance, yet we have seen our cities more and more straining under the burden of declining

tax revenues and increasing costs, which have stemmed in no small part from the increasing slums and deteriorating blight that has spread farther and farther throughout the central city.

We know that the way to remove slums is to provide decent housing for those who must live there and to remove the slums and redevelop these areas into sound and supportable sections of the city. That is what this bill undertakes to make possible. It leaves the job with the cities where it belongs, but it recognizes that the resources of the Nation, made available through Federal aid, are essential if the cities are to do that job.

For the first time, in this bill, we recognize that the housing of our farm families is no less important to our national welfare than that of our nonfarm population. Rural slums may be less apparent to many of us than those in our cities which surround our places of business and lie athwart the streets that carry us to and from the heart of the city. Nevertheless, in 1947 roughly one-fifth of all our farm dwellings were in need of major repairs and more than two-thirds of the others lacked running water or indoor plumbing facilities. This bill would make available to farmers, who have heretofore been unable to do so, the credit and assistance necessary for them to provide decent housing and buildings on their farms. While it does not begin to cover the full need, it offers a substantial beginning.

Finally, of even broader significance, this bill authorizes the Federal Government to assume an active and leading role in research in the housing field to help bring about improvements in the production of housing and efficiencies of operation which will produce progressive reductions in the basic cost of housing to all Americans. We have indulged long enough in wishful hoping that somehow such industrial progress and modernization in homebuilding would come about. We have had varied and assorted advances in the housing field on a scattered and disorganized front. We have lacked, however, coordination and leadership directed toward the stimulation and coordination of effort in this direction designed to bring about a better organized attack on this persistent and unavoidable problem of costs.

I want to emphasize that all of these things proposed in this bill are within the policy framework in which the Federal Government undertakes only those activities which cannot be carried out successfully without its aid or participation.

In the slum clearance and public-housing provisions, the basic responsibility rests with the local communities. The Federal Government cannot initiate, cannot plan or build a single unit in a single project. It simply stands ready to lend its assistance to those communities which desire and initiate their own projects, which demonstrate their need, and which are prepared to assume the major responsibilities for executing the local programs.

Furthermore, in section after section, the bill is carefully written to assure that Government action in none of these fields will do anything but supplement and assist the operations of private

enterprise. No public housing can receive Federal aid unless there is a demonstrated need that private enterprise cannot serve, and even then a 20-percent gap must be established between the highest rentals for admission into public housing and the lowest rentals at which good private housing, new or old, can be obtained. Private enterprise is also to have the primary responsibility for the redevelopment of slum and blighted areas acquired with Federal aid for redevelopment.

The bill, in short, has been designed and written both to meet the practical requirements growing out of our slums and our over-all housing needs, and at the same time to preserve and strengthen the capacity both of private enterprise and of the local community to do the major part of the job.

It is a bill that first of all undertakes to determine where we are heading in our housing policy, to define the method and framework in which our housing programs are to be conceived and carried out, and then to provide the additional instruments that the country needs to cope with its entire housing problem. This House is now called upon to act upon the proposition of whether a decent place to live and work and rear a family is a reasonable and proper hope of American citizens.

I am for this bill for a very simple reason. I was born in a Newark slum and spent my childhood years in it. I know from personal experience what it is to live in slum surroundings. I can assure you that most of the families who experience the bitter life of the slums look forward to the time when it will be possible to move out of them.

You have heard opponents of this bill say that it is untimely, costly, and unnecessary; that our housing has improved progressively and greatly over the years. A month ago I set out to see for myself. I argued that the first ward in Newark, inhabited by some 20,000 people—the slum in which I was born and lived my early years—would be a good place to see the housing progress claimed by opponents of H. R. 4009. But I found no progress. The slum that had been there when I was born was still there. The only difference was that it was dingier, more dilapidated, more crowded. It was in every way worse than it had been in my childhood. I visited the third ward, also densely populated and another slum area of Newark, and found there conditions paralleling those in the first ward.

In both wards I talked with people who lived there. They talked about their kids and how they hoped that these growing children might live their lives in better surrounding than are afforded by the slums of Newark. I visited nearby cities. The story was the same.

My feeling about the need for this bill is not academic. I have been an active participant in the organization known as the Youth Movement for Rehabilitation of Delinquent Boys. I know the surroundings most delinquent boys come from. The evidence is overwhelming that the slums with their poverty, their dirt, and their ill health are breeding grounds for delinquency. If we wipe out

the slums we will have taken a long step toward ending the conditions that foster juvenile delinquency. If we provide the opportunity for decent housing and wholesome play in proper neighborhoods, we can significantly reduce juvenile delinquency.

This is not just mere talk. A number of studies have been made comparing juvenile delinquency in slums and in public housing. One was made in Newark by a Newark University professor. He found that the delinquency rate was 21 percent lower in three public-housing developments as compared with three slum areas. Two of the slums he studied were these same two wards I recently visited.

He reported also that the public housing projects had 45 percent fewer cases of tuberculosis, 15 percent fewer infant deaths, 31 percent fewer cases of children's diseases, 37 percent more births, 74 percent fewer fires, and 100 percent fewer deaths from home accidents. Moreover, the effect of rehousing upon the children in their school life was remarkable. They showed a 7-percent improvement in attendance, 10-percent improvement in academic grades, 16-percent improvement in personality development grades, and 19-percent improvement in health habit grades. Can this be measured in dollars and cents?

Since my visit to Newark and adjoining cities, I have received letters from my constituents, including some from children, urging and pleading with me to support any legislation that will help them to better housing. I welcome their letters, but I do not need to be urged to support this bill. I know at first hand that it is a necessary measure. I am convinced that this Congress can make no greater contribution to the welfare of the Nation than to provide the tools that will enable American cities, large and small, to strike a death blow at the slums.

I am for the urban-redevelopment title of this measure because I know my own city must have help if it is to clear away the blight and rot that afflict it. Newark is not the only city that needs this help. The mayors of other cities tell the same story. The problem we face is a national problem. It is a matter of saving our cities from decay.

I am for the public-housing title of the pending bill because we cannot afford to view this problem only in terms of the physical condition of the cities or as a tax problem or as a planning problem. It is all of these things, but it is also a problem of people. We will not be making progress if we clear the slums and forget to provide homes for the people who live in them. The simple truth is that many of the families who live in the slums cannot afford adequate housing. They are low-income families but they are not improvident nor destitute. They are self-respecting, competent members of our society. In other respects, they are providing for themselves and their children. But the cost of housing today puts good homes beyond their means. The public-housing title of this bill offers a tested and successful method of making good homes available to them.

When I have the opportunity, I will be proud to say that I voted for this bill

and all it means to the families of America.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Boggs of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 96. Concurrent resolution authorizing the Clerk of the House, in the enrollment of the bill (H. R. 4332) to make a change.

IMPORT CONTROLS ON CERTAIN COMMODITIES

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5240) to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils, and rice and rice products.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, would the gentleman from Kentucky, chairman of the committee, explain the bill briefly, and also the amendment which I understand he intends to offer?

Mr. SPENCE. Mr. Speaker, this bill merely continues the controls which now exist over the importation of fats and oils. The bill as originally drafted provided for an extension for a year and a half, but at the request of some of the Members we intend to offer an amendment which makes the extension for 1 year. The Department of Agriculture says it is very essential that these controls be continued. I can see no objection to the extension of the controls. There was no objection to the bill in committee and it was unanimously reported, as I recall.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. MURRAY of Wisconsin. Mr. Speaker, I wish to call to the attention of the Congress the fact that this legislation is a little bit difficult to understand. The people who voted for the reciprocal trade treaties a few weeks ago may find it is easier to pass this bill than to face the facts. In the first place, the President, under section 22 of the AAA Act has this authority. This bill

is not necessary at all. I think it would be very appropriate to have a roll call on this bill to find out exactly who it was that supported the reciprocal trade treaties by so voting a few weeks ago. Then we could check up and see if they were for the treaties for everything but vegetable oils. So far as fats and vegetable oils are concerned, more of them were exported in 1948 than were imported. So it would be a good test, I am sure, to have a roll call to find out exactly where you stand on this import business.

I realize it is easy to vote this resolution without a roll call and still not be recorded against the trade treaties. I am for this resolution and voted against the New Deal brand of reciprocal trade treaties. Our vegetable oil friends are for free or freer trade except what is grown in the South.

In 1948 there were imports of \$104,596,000 worth of animal and vegetable oils and fats. There was exported \$104,000,000 worth of vegetable oil; \$420,000 worth of animal fats. Of the vegetable oil imports palm oil accounted for \$11,000,000; coconut oil, \$21,000,000, and tung oil, \$27,000,000. Butter imports were \$176,000 in value.

In 1948 there were exports totaling \$153,603,000 worth of animal and vegetable fats and oils. Of this amount exported there were \$20,300,000 worth of soy bean oil; \$8,700,000 cotton seed oil; \$9,000,000 linseed oil; oleo \$1,107,000. The animal fat and oil exports were \$87,803,000 in value, and \$70,000,000 worth of these exports was of lard.

The League of Women Voters might not be pleased to have the administration leaders use this indirect method of avoiding the effects of the reciprocal trade treaties.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, as amended, and the amendments to existing law made by such title shall continue in effect until January 1, 1951, for the purpose of authorizing the exercising, administering, and enforcing of import controls with respect to fats and oils (including oil-bearing materials, fatty acids, butter, soap and soap powder, but excluding petroleum and petroleum products) and rice and rice products, upon a determination by the President that such controls are (a) essential to the acquisition or distribution of products in world short supply or (b) essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government: *Provided, however,* That such controls shall be removed as soon as the conditions giving rise to them have ceased.

Mr. SPENCE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: On page 1, line 6, strike out "January 1, 1951", where such appears therein, and insert in lieu thereof "July 1, 1950."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time; was read the third time and passed.

The title was amended so as to read: "A bill to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products."

A motion to reconsider was laid on the table.

DEPARTMENT OF LABOR, FEDERAL SECURITY AGENCY, AND RELATED INDEPENDENT AGENCIES APPROPRIATION BILL—CONFERENCE REPORT

Mr. FOGARTY, from the Committee on Appropriations, submitted the following conference report and statement on the bill (H. R. 3333) making appropriations for the Department of Labor, Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1950, and for other purposes, which was referred to the House Calendar and ordered printed:

CONFERENCE REPORT (H. REPT. No. 892)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3333) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9, 10, 12, 13, 15, 19, 26, 29, 35, 36, 37, 38, and 40.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 16, 17, 18, 20, 27, and 28, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11 and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,975,600"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$16,600,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$18,900,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$6,000,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$10,725,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$5,350,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amend-

ment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$4,675,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,575,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,367,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$325,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "996,800"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 25 and 39.

JOHN E. FOGARTY,
E. H. HEDRICK,
CHRISTOPHER C. MCGRATH,
CLARENCE CANNON,
FRANK B. KEEFE,
ERRETT P. SCRIVNER,

Managers on the Part of the House.

DENNIS CHAVEZ,
PAT MCCARRAN,
HOMER FERGUSON,
CHAN GURNEY,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3333) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1950, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF LABOR

Amendment No. 1: Appropriates \$1,154,000 for salaries and expenses, Office of the Secretary, as proposed by the Senate instead of \$1,074,000 as proposed by the House.

Amendment No. 2: Appropriates \$1,093,900 for salaries and expenses, Office of the Solicitor, as proposed by the Senate instead of \$1,064,200 as proposed by the House.

Amendment No. 3: Appropriates \$550,000 for salaries and expenses, Bureau of Labor Standards, as proposed by the Senate instead of \$391,000 as proposed by the House.

Amendment No. 4: Appropriates \$5,506,500 for salaries and expenses, Bureau of Labor Statistics, as proposed by the Senate instead of \$5,450,000 as proposed by the House.

Amendments Nos. 5 and 6: Appropriate \$5,252,000 for salaries and expenses, Wage and Hour Division, as proposed by the Senate instead of \$5,361,000 as proposed by the House, and strike out, as proposed by the Senate, the language identifying the functions under the Fair Labor Standards Act relating to the recommended reduction below the amount in the House bill. The effect of this action and action recommended on amendment No. 3 is to transfer the youth

employment and child labor research activities to the Bureau of Labor Standards.

TITLE II—FEDERAL SECURITY AGENCY

Amendment No. 7: Makes available, as proposed by the Senate, not to exceed \$46,000 of the appropriation of the Bureau of Employees' Compensation for expenses of the compensation Board of Appeals, instead of not to exceed \$41,000 proposed for that purpose by the House.

Amendment No. 8: Adds clarifying language to the appropriation for certification and inspection services under the Food and Drug Administration.

Amendments Nos. 9 and 10: Appropriate \$19,842,760 for grants for further development of vocational education, as proposed by the House instead of \$29,301,740 as proposed by the Senate, and restores the language of the House bill providing for apportionment to the States to be computed on the basis of not to exceed \$19,842,760.

Amendments Nos. 11 and 12: Appropriate \$1,975,600 for salaries and expenses, Office of Education, instead of \$1,860,000 as proposed by the House and \$2,009,800 as proposed by the Senate, and restore the provision of the House providing that not less than \$522,300 shall be available for the Division of Vocational Education. The amount recommended for this appropriation includes \$75,600 for the surplus property donation program.

Amendment No. 13: Appropriate \$16,000,000 for venereal diseases, Public Health Service, as proposed by the House instead of \$17,200,000 as proposed by the Senate.

Amendment No. 14: Appropriate \$16,600,000 for assistance to States (general), Public Health Service, instead of \$13,600,000 as proposed by the House and \$16,800,000 as proposed by the Senate.

Amendment No. 15: Appropriate \$7,350,000 for communicable diseases under the Public Health Service as proposed by the House instead of \$7,450,000 as proposed by the Senate. The managers on the part of the House and the Senate are in agreement that only a portion of the reduction below the budget estimate should be applied to the malaria- and typhus-control programs.

Amendment No. 16: Appropriate \$1,200,000 for administrative expenses, assistance for hospital construction, as proposed by the Senate instead of \$1,000,000 as proposed by the House.

Amendments Nos. 17 and 18: Appropriate \$11,612,000 for mental-health activities of the Public Health Service, as proposed by the Senate instead of \$11,387,000 as proposed by the House, of which amount \$2,888,000 is earmarked for operation of the Fort Worth and Lexington hospitals as proposed by the Senate instead of \$2,663,000 as proposed by the House.

Amendment No. 19: Appropriate \$167,000 for expenses of the Public Health Service in connection with Federal employee health service programs as proposed by the House instead of \$267,000 as proposed by the Senate.

Amendment No. 20: Appropriate \$12,075,000 for operating expenses of the National Institutes of Health as proposed by the Senate instead of \$11,800,000 as proposed by the House. Of the increase allowed, \$50,000 is to be used, as intended by the Senate, for direct research in gastroenterology and co-ordinated with research on carcinoma of the stomach under the National Cancer Institute.

Amendments Nos. 21 and 22: Appropriate \$18,900,000 for the National Cancer Institute, instead of \$16,400,000 as proposed by the House and \$21,650,000 as proposed by the Senate, and in addition provide \$6,000,000 contractual authority for research and training grants instead of \$5,000,000 as proposed by the House and \$15,500,000 as proposed by the Senate.

Amendments Nos. 23 and 24: Appropriate \$10,725,000 for the National Heart Institute, instead of \$7,725,000 as proposed by the

House and \$16,392,000 as proposed by the Senate, and in addition provide \$5,350,000 contractual authority for research and training grants instead of \$3,850,000 as proposed by the House and \$12,725,000 as proposed by the Senate.

Amendment No. 25, relating to the National Institute of Dental Research, is reported in disagreement.

Amendment No. 26: Strikes out a new item of appropriation proposed by the Senate for special vital statistics projects.

Amendment No. 27: Appropriate \$1,200,000 for salaries and expenses, water-pollution control, as proposed by the Senate instead of \$1,000,000 as proposed by the House.

Amendment No. 28: Appropriate \$1,820,000 for salaries and expenses, St. Elizabeths Hospital, as proposed by the Senate instead of \$1,750,000 as proposed by the House.

Amendment No. 29, relating to grants to States for unemployment compensation and employment service administration, authorizes apportionment and obligation of the appropriation during the first 9 months of fiscal year 1950 at an annual rate not in excess of \$157,500,000 as proposed by the House instead of \$160,000,000 as proposed by the Senate.

The managers on the part of the House and the Senate have discussed the facts and circumstances underlying the comments contained in the reports of the committees on this bill with respect to activities of the Interstate Conference, an organization of State employment security administrators. The conferees of both Houses desire to supplement those comments by stating that they were not intended to disturb the cooperative working relationship existing among the State agencies and between the conference and the Federal agencies concerned as regards problems of administration of this Federal-State program. It is agreed, also, that the status quo of the office of the secretary to the conference should be preserved until opportunity is available next year for further consideration of this aspect of the arrangement. The committees are, however, interested in assuring that the efforts of the conference are in the zone of dealing with common problems arising in administration of the program in the States, and therefore in the States' interest, and will wish to review periodically the practical application of the arrangement.

Amendments Nos. 30 and 31: Appropriate \$4,675,000 for salaries and expenses, Bureau of Employment Security, instead of \$4,450,000 as proposed by the House and \$4,900,000 as proposed by the Senate, of which \$1,575,000 is allocated for carrying into effect title IV (except sec. 602) of the GI bill of 1944, instead of 1,350,000 as proposed by the House and \$1,800,000 as proposed by the Senate.

Amendments Nos. 32 and 33: Appropriate \$2,367,000 for salaries for the Office of the Administrator instead of \$2,292,000 as proposed by the House and \$2,418,000 as proposed by the Senate, together with transfer from the Federal old-age and survivors' insurance trust fund of not to exceed \$325,000 instead of \$300,000 as proposed by the House and \$335,000 as proposed by the Senate.

Amendment No. 34: Appropriate \$996,800 for salaries and expenses for the Division of Service Operations instead of \$944,800 as proposed by the House and \$1,043,000 as proposed by the Senate.

Amendment No. 35: Strikes out a section, proposed by the Senate, authorizing the Administrator to make transfers of funds related to administrative consolidations of functions in the Office of the Administrator.

Amendments Nos. 36 and 37: Relate to section numbers.

TITLE IV—RAILROAD RETIREMENT BOARD

Amendments Nos. 38, 39, and 40, relating to military service credits under the Railroad Retirement Act: The Senate provided for

an appropriation of the full amount of \$166,852,000 estimated to be due for these credits as of June 30, 1948, such amount to become available to the Board in four equal payments of \$41,713,000 in each of the fiscal years 1950, 1951, 1952, and 1953. The Senate has receded on amendments Nos. 38 and 40 in view of the course of action agreed upon with respect to amendment No. 39, which is reported in disagreement and explained subsequently herein.

AMENDMENTS REPORTED IN DISAGREEMENT

Amendment No. 25, relating to the National Institute of Dental Research: The managers have directed that a motion be made that the House recede from its disagreement to the amendment of the Senate No. 25 and concur therein with an amendment, the substance of which will be to provide \$100,000 for plans and specifications for buildings and facilities in lieu of the Senate proposal to appropriate the entire amount of \$2,000,000 for plans, construction, and equipment.

Amendment No. 39, relating to military service credits under the Railroad Retirement Act: The managers have directed that a motion be made that the House recede from its disagreement to the amendment of the Senate No. 39 and concur therein with an amendment, the substance of which will be to appropriate only \$33,000,000 for fiscal year 1950, and an equal amount for each of the years 1951, 1952, and 1953, and in addition not more than \$34,852,000 for 1954 with provision making payment of the latter amount subject to final determination of the actual total amount due the account for these credits. This is in lieu of the Senate proposal to appropriate the full amount with provision for payment over a 4-year period.

In conjunction with the motion to be offered, language already in the bill would provide a total of \$748,889,000 available in fiscal year 1950 for making benefit payments and trust fund investments. The motion would also appropriate, in the future years specified, funds for military-service credits and thereby supplement the regular appropriation of retirement taxes for payments and investments.

JOHN E. FOGARTY,

E. H. HEDRICK,

CHRISTOPHER C. MCGRATH,

CLARENCE CANNON,

FRANK B. KEEFE,

ERRETT P. SCHRYVER,

Managers on the Part of the House.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill, H. R. 3333, making appropriations for the Department of Labor, Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1950, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island for the immediate consideration of the conference report?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The Clerk read the statement.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 25, page 25, line 3, insert: "Research facilities, National Institute of Dental Research: For the erection and equipment of suitable and adequate buildings and facilities for the use of the National Institute of Dental Research, as authorized by section 5 of the National Dental Research Act, approved June 24, 1948 (Public Law 755, 80th Cong.), \$2,000,000, to remain available until expended, which amount, except such part as may be necessary for incidental expenses for the Public Health Service, shall be transferred to the Federal Works Agency for the performance of the work for which the appropriation is made."

Mr. FOGARTY. Mr. Speaker, I submit a motion, which is on the Clerk's desk.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate No. 25, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert the following:

"Research facilities, National Institute of Dental Research: For the preparation of plans and specifications for suitable and adequate buildings and facilities for the use of the National Institute of Dental Research, as authorized by section 5 of the National Dental Research Act, approved June 24, 1948 (Public Law 755, 80th Cong.), \$100,000, to remain available until expended, which amount, except such part as may be necessary for incidental expenses for the Public Health Service, shall be transferred to the Federal Works Agency for the performance of the work for which the appropriation is made."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 39: Page 41, line 21, insert the following language: "of the amount of \$166,852,000, included herein as an appropriation for military service credits under the Railroad Retirement Act, \$41,713,000 shall become available in the fiscal year 1950, and \$41,713,000 shall become available in each of the fiscal years 1951, 1952, and 1953: *Provided further, That.*"

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate No. 39 and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert the following: "there is further appropriated for such account \$33,000,000 for each of the fiscal years 1950, 1951, 1952, and 1953, and not to exceed \$34,852,000 for the fiscal year 1954, in all not to exceed \$166,852,000 for military service credits under the Railroad Retirement Act, as amended, and before the final payment hereunder the Railroad Retirement Board shall certify to the Bureau of the Budget the total amount due on account of such military service credits: *Provided further, That.*"

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I should like to make a brief statement summarizing the results of the conference report on this bill. I believe the conference recommendations represent a satisfactory settlement of the differences between the House and Senate versions, taking all factors into consideration. This bill, as Members know, contains many items which directly affect the health and welfare of the people. Items for cancer, heart, dental, and mental health just to mention a few, are very appealing and I feel sure most of us agree that they are very worth while. In total much of the money in this bill is virtually beyond the control of the appropriating committees.

In addition to appropriated funds, the bill carries substantial amounts in the form of contract authorizations and, therefore, in my explanation I shall recite figures dealing with both classes of authorities. In summary, the bill as it

came from the Senate carried increases totaling \$199,133,180 of appropriated funds above the House bill. In contract authorizations the Senate increased the House bill by \$19,375,000, or a total increase above the House bill of \$218,508,180. The Senate bill was also \$204,142,980 in excess of the budget estimates for the items embraced by the bill. These summary comparisons will give some indication of the difficulty confronting the House conferees in attempting to hold the total close to the total of the House bill.

As I said, I believe we have brought in a report which will meet with approval, especially after the totals are considered. For example, of the total increase of \$218,508,180 by the Senate, the House conferees have agreed to \$45,753,800, and the Senate conferees have receded to the extent of \$172,754,380 insofar as actual appropriations and contract authorizations for the fiscal year 1950 are concerned. The following tabulation shows the various totals and comparisons thereof:

Labor-Federal Security appropriation bill, 1950—summary comparison of conference recommendations

Agency	House	Senate	Conference	Conference compared with—	
				House	Senate
Labor Department.....	\$16,550,000	\$16,766,200	\$16,766,200	+\$216,200	-----
FSA.....	1,478,426,585	1,510,491,565	1,488,464,185	+10,037,600	-\$22,027,380
Mediation Board.....	928,500	928,500	928,500	-----	-----
Railroad Retirement Board.....	715,889,000	882,741,000	1,748,889,000	+\$33,000,000	-\$133,852,000
Total.....	2,211,794,085	2,410,927,265	2,255,047,885	+\$43,253,800	-\$155,879,380
Contracts:					
FSA.....	106,707,300	126,082,300	109,207,300	-\$2,500,000	-\$16,875,000
Grand total.....	2,318,501,385	2,537,009,565	2,364,255,185	+\$45,753,800	-\$172,754,380

¹ Represents actual appropriation to be available in fiscal year 1950.

It will be noted from the foregoing tabulation that the conferees recommend an increase of \$216,200 over the House bill for the Department of Labor. That is for work in the international labor relations field which the House committee did not have time to give full consideration to when the hearings were held last February.

As to the Federal Security Agency, the conferees recommend \$10,037,600 more than was in the House bill but \$22,027,380 below the Senate bill. Various items are embraced within those two amounts and are identified in more detail in the statement accompanying the conference report.

The largest single item in conference, appropriation-wise, was the item of \$166,852,000 added by the Senate to the appropriation for the Railroad Retirement Board for military service credits. That item was not included in the budget estimates or the House bill, although when the hearings were held by our committee last February, consideration was given to the item. It was the feeling of our committee at that time that after careful consideration it would be more advisable under all the circumstances to go along with the budget recommendations and not appropriate at this time. However, the Senate believed otherwise and included the full appropriation of

\$166,852,000 with language providing that \$41,713,000 of the total should become available to the Railroad Retirement Board in fiscal year 1950 and an equal amount in each of the fiscal years 1951, 1952, and 1953. In conference we did not agree that the full amount should be appropriated for 1950. Also, we felt that there should be some provision made for a report to the Bureau of the Budget, and subsequently to the Congress, as to the exact amount due the retirement trust fund for these credits before the final appropriation is made. Therefore, the conference proposal is to appropriate only \$33,000,000 for the fiscal year 1950, rather than appropriate the full amount, and to make an equal appropriation for each of the years 1951, 1952, and 1953, and, in addition, not more than \$34,852,000 for 1954, subject, as I have previously indicated, to a final determination of the actual amount due the Board for these military service credits.

AGRICULTURE APPROPRIATION BILL, 1950

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Managers on the part of the House may have until midnight to night to file a conference report on the bill (H. R. 3997) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—CLERK HIRE FOR MEMBERS OF CONGRESS; INCREASE OF SALARIES FOR TOP EXECUTIVE OFFICIALS (H. DOC. NO. 238)

The SPEAKER laid before the House the following message from the President of the United States which was read, and together with the accompanying papers, referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

I have today approved H. R. 4583, relating to telephone and telegraph service and clerk hire for Members of the House of Representatives. This act provides an additional allowance of \$3,000 a year for each Member of the House of Representatives for clerk hire and authorizes an allowance of \$500 a year for each Member for sending telephone and telegraph communications.

I have signed this act willingly, for I believe that it is in the interest of the Government and of the people to provide for the efficient conduct of the public business. I have no doubt that the benefits derived from this legislation will fully justify its cost, which is relatively small in the light of the magnitude of the problems confronting the Government.

I feel constrained to point out to the Congress again, however, an opportunity which it has for a greater improvement of the public service than will be accomplished by this legislation, and at approximately the same cost. I have heretofore recommended that the Congress enact legislation to raise the salary scales for the heads and assistant heads of executive departments and other officials of the executive branch having comparable responsibilities. Bills for this purpose have been reported from committees in both Houses of Congress and have been on their respective calendars for weeks. Though the salaries provided in these bills are not, in my judgment, fully commensurate with the great responsibilities of the positions involved, they would substantially better the present demoralizing situation. The cost of this legislation would be approximately \$1,300,000 annually, compared with \$1,314,000 for clerk hire alone under H. R. 4583, which I have just signed.

Important as it is for Members of the Congress to have adequate clerical assistance, it is at least of equal importance to have men of ability in the key executive positions in the Government. The best of laws can be ruined by poor administration. The success or failure of all the things the United States Government undertakes to do depends in large measure upon the wisdom and ability of these executives. It is upon them that we must rest most of our hopes for economy and efficiency in the Government. Even a small improvement in the economy and efficiency of the vast operations under the direction of these men is obviously of much greater consequence

than the cost of the proposed salary increases. The soundness of this principle has been demonstrated in American business concerns, where it is well recognized that the success or failure of an enterprise depends largely upon its executive officers, and their salaries are fixed accordingly.

The relative salary position of Federal executives has become increasingly worse during recent years. There has been no increase in the salaries of Cabinet officers since 1925. Members of important commissions whose salaries were set at \$10,000 many years ago still get the same amount. For example, the salaries of Federal Trade Commission members were fixed at \$10,000 in 1914 and have never been raised, although in terms of real income that amount, even before taxes, is less than half of what it was 35 years ago. The absurdity of the present situation is illustrated by the fact that many Federal executives now have assistants who receive higher salaries than they do.

The Congress has already recognized the need for greater compensation for other groups of Federal officers and employees, including the Members of Congress themselves. Prior to 1925 Senators and Representatives received an annual salary of \$7,500 each. At the same time Cabinet officers received \$12,000 and members of important boards and commissions received \$10,000. In 1925 the salaries of Senators and Representatives were increased to \$10,000 and those of Cabinet officers were increased to \$15,000. No corresponding general increase was made in the salaries of other executive officers. In 1946 the Congress further increased the salaries of Senators and Representatives to \$12,500, and at the same time provided for each of them a tax-free expense allowance of \$2,500. Because this allowance is tax-free, the compensation of Members of Congress is now equivalent to approximately \$16,000 a year. Thus the compensation of Senators and Representatives has been more than doubled in the last 25 years, while there has been no general increase at all in the salaries of the executive officials here in question.

Over this same 25-year period the salaries of Federal judges have also been substantially increased. The salaries of district and circuit judges have been doubled, and those of Supreme Court Justices have been increased by more than two-thirds.

The Congress has also raised the compensation of the President, the Vice President, and the Speaker of the House of Representatives. The annual salary of the President was increased from \$75,000 to \$100,000 earlier this year, and at the same time he was provided with a \$50,000 tax-free expense allowance. While this increase was made without any recommendation or suggestion on my part, I am grateful to the Congress for the spirit which moved it to enact the increase speedily in order that I might receive its benefits. Nevertheless the proposed increases for other officers in the executive branch, besides resulting in far greater public benefit than the increase in the President's salary, would actually do

more to improve the President's personal situation than the increase in his own salary. For one of the greatest burdens of the Presidency is in finding and keeping good men for big jobs, and under present conditions that is a most difficult task.

The Congress has already recognized the need for increased compensation for Federal employees below the top executive level. Since 1945 the rates of compensation for these employees have been increased three times, largely to meet increased living costs. These increases have been proportionately greater in the lower grades than in the higher, and in the lower grades the total increases range up to 96 percent. The salary schedules for Federal employees still need revision, and I have recommended such revision to the Congress.

I thoroughly approve of adequate salaries for all our Federal employees. Increased prosperity for our Nation depends upon the constant betterment of the living standards of the great body of our citizens. In the promotion of the general welfare, Federal employees should not be neglected. However, I am urging increased compensation for Federal executives not primarily as a matter of equity—although it is well justified on equitable grounds—but primarily as a matter of good business from the standpoint of the Government.

It is customary in private industry for an executive to be paid many times as much as he would be paid for comparable work in Government service. Salaries of \$50,000 to \$100,000 a year in private industry are not uncommon. In 1948, General Motors Corp. paid to 53 of its officers and directors an average salary of \$51,760 each. The 15 top executives of the du Pont Co. were paid an average salary of \$213,175 each—an aggregate amount for these 15 men greater than the total salaries now paid to all the 250 or so Federal officers whose salaries would be increased by the legislation before the Congress.

When it is considered that the responsibilities of many top Government executives are far greater than those of any private executive in the Nation, it is evident why the Government has great difficulty in obtaining and keeping the best men. Even when they are prevailed upon as a matter of public duty to serve in the Government, too often they find that they can afford to serve for a limited time only. Thus men are lost to the Government just when they have had the experience which brings them to the peak of their effectiveness. Such a process is obviously poor business and any apparent saving in funds for salaries is obviously a disservice to the taxpayers.

These truths were clearly recognized by the Commission on Organization of the Executive Branch. That Commission urged more realistic salaries for Federal executives as a means of achieving greater economy and efficiency in governmental activities. The legislation for increased executive salaries now pending in the Congress is fully supported by the recommendations of that Commission. So long as the Congress fails to take this simple and obvious step

to improve the Government service, there will be an important gap in our efforts to achieve economy and efficiency.

For the compelling reasons set forth above, I believe that the legislation now pending to increase the salaries of officers in the executive branch is a fundamental step toward the more effective operation of the Government. Therefore, I again urge the Congress to complete favorable action upon this legislation at an early date.

HARRY S. TRUMAN.

THE WHITE HOUSE, June 23, 1949.

EXPENSES OF INVESTIGATION CONDUCTED BY COMMITTEE ON FOREIGN AFFAIRS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 237) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the studies and investigations, authorized by House Resolution 206, Eighty-first Congress, incurred by the Committee on Foreign Affairs, acting as a whole or by subcommittee, not to exceed \$50,000, including expenditures for the employment of such experts, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, signed by the chairman of the committee, and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXPENSES OF INVESTIGATION CONDUCTED BY COMMITTEE ON AGRICULTURE

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 210) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the studies and investigations authorized by House Resolution 112, Eighty-first Congress, incurred by the Committee on Agriculture, acting as a whole or by subcommittee, not to exceed \$50,000, including expenditures for the employment of accountants, experts, investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House, on vouchers authorized by such committee or subcommittee, signed by the chairman of such committee or subcommittee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendments:

Page 1, line 8, strike out "or subcommittee."

Page 1, line 10, strike out "or subcommittee."

The committee amendments were agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 233), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the studies and investigations authorized by House Resolution 215, Eighty-first Congress, incurred by the Committee on Merchant Marine and Fisheries, acting as a whole or by subcommittee, not to exceed \$100,000, including expenditures for employment of accountants, experts, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendment:

On page 1, line 5, strike out "\$100,000" and insert "\$50,000."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SMITHSONIAN INSTITUTION

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I ask unanimous consent for the immediate consideration of the bill (H. R. 2290) to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing paleontological investigations in areas which will be flooded by the construction of Government dams.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Smithsonian Institution is hereby authorized to cooperate with any State, educational institution, or scientific organization in the United States for continuing paleontological investigations, and the excavation and preservation of fossil remains, in areas which will be flooded by the construction of Government dams or otherwise be involved in work related thereto.

SEC. 2. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$65,000, which shall be available until expended for the above purposes: *Provided*, That at such time as the Smithsonian Institution is satisfied that any State, educational institution, or scientific organization in any of the United States is prepared to contribute to such investigation and when in its judgment such investigation shall appear meritorious, the Secretary of the Smithsonian Institution may direct that an amount from this sum equal to that contributed by such State, educational institution, or scientific organization be made available for cooperative investigation: *Provided further*, That all such cooperative work be carried on by mutual agreement between the Secretary

of the Smithsonian Institution and the representative of the State, educational institution, or scientific organization involved: *Provided further*, That where lands are involved which are controlled by the Government of the United States, cooperative work thereon shall be under the provisions of the Antiquity Act of 1906 and the uniform rules and regulations pertaining thereto.

With the following committee amendments:

Page 1, line 9, strike out all after the word "be" and insert in lieu thereof the following: "made unavailable for such investigations because of such construction: *Provided*, That such investigations and activities shall not duplicate nor affect adversely similar operations being conducted by the Department of the Interior in cooperation with the Smithsonian Institution."

Page 2: Strike out lines 1 to 21, inclusive and insert the following matter:

"SEC. 2. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$65,000, which shall be available until expended for the above purposes: *Provided*, That at such time as the Smithsonian Institution is satisfied that any State agency, or any educational institution or scientific organization in any of the United States, is prepared to contribute to such investigation and when in its judgment such investigation shall appear meritorious, the Secretary of the Smithsonian Institution may make available for such investigation such amounts from this sum as shall be equal to the amounts contributed respectively by each such State agency, or educational institution or scientific organization: *Provided further*, That the amount to be made available from this sum for such investigation in cooperation with each such State agency, or educational institution or scientific organization, shall not exceed \$5,000 in any fiscal year: *Provided further*, That all such cooperative work and division of the result thereof shall be under the direction of the Secretary of the Smithsonian Institution: *And provided further*, That where lands are involved which are controlled by the Government of the United States, cooperative work thereon shall be under the provisions of the Act of June 8, 1906 (16 U. S. C. 432, 433), and rules and regulations pertaining thereto."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERECTION IN THE DISTRICT OF COLUMBIA OF A STATUE TO SIMON BOLIVAR

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 240) authorizing the erection in the District of Columbia of a statue to Simon Bolivar.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, I understand this is merely authorization to receive a statue that will be constructed through private subscription. Is that a fact?

Mrs. NORTON. That is right.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the Secretary of the Interior is hereby authorized and directed to grant authority to the Simon Bolivar Memorial Foundation, Washington, District of Columbia, to erect a bronze statue of the liberator, Simon Bolivar, the gift of the Government of Venezuela, including pedestal, on an appropriate site on grounds now owned by the United States in the District of Columbia: Provided, That the site chosen shall be approved by the National Commission of Fine Arts, and the United States shall be put to no expense in or by the erection of this statue and proper landscape treatment of the site, so as to provide a proper setting, including planting, walks, and curbs: Provided further, That unless the erection of this statue is begun within 5 years from and after the date of passage of this joint resolution, the authorization hereby granted is revoked.

With the following committee amendment:

On page 1, line 9, after the word "That", insert the following: "the design of the statue, including pedestal, and."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIRGIN ISLANDS CORPORATION

Mr. PETERSON. Mr. Speaker, I call up the conference report on the bill (H. R. 2989) to incorporate the Virgin Islands Corporation, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 870)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2989) to incorporate the Virgin Islands Corporation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That, in order to promote the general welfare of the inhabitants of the Virgin Islands of the United States through the economic development of the Virgin Islands, there is hereby created a body corporate to be known as the Virgin Islands Corporation, hereinafter referred to as the "Corporation." The Corporation shall be subject to the general direction of the President of the United States, or the head of such agency as he may designate as his representative.

"Sec. 2. The Corporation shall have its principal offices in the Virgin Islands and in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be an inhabitant of each of these

jurisdictions. The Corporation may establish offices in such other place or places as it may deem necessary or appropriate in the conduct of its business.

"Sec. 3. Subject to the provisions of the Government Corporation Control Act, the Corporation is authorized to engage in the following activities when its finds that such activities will further the purposes of this Act and will not conflict with the encouragement and promotion of private enterprise in the Virgin Islands:

"(a) To examine, investigate, and conduct research and experimentation in the marketing, distributing, advertising, and exporting of products or resources of the Virgin Islands, and to make known the results of such activities.

"(b) To encourage and promote the investment of private capital in industrial, agricultural, commercial, or related enterprises, undertakings, or activities in the Virgin Islands. Insofar as may be possible without jeopardizing the maximum development of the industrial, agricultural, commercial, and related resources of the Virgin Islands for the public good, the Corporation shall formulate its policies so as to encourage and promote the investment of capital owned by residents of the Virgin Islands.

"(c) To engage in land-use planning to the end that the most economic and socially beneficial use may be made of the soil of the Virgin Islands, and to encourage and assist private persons and organizations to act in accordance with the results of such planning.

"(d) To encourage and engage in the business of providing, whenever adequate facilities are not otherwise available, transportation for persons and property between the Virgin Islands and to and from the Virgin Islands, Puerto Rico, and Tortola.

"(e) To encourage, promote, and develop, and to assist in the encouragement, promotion, and development of, tourist trade in the Virgin Islands.

"(f) To encourage the establishment and development of small farms and small farm communities in the Virgin Islands, and, for that purpose, to construct, equip, improve, and supervise such small farms or communities and to give other assistance to them.

"(g) To make loans to any person for the establishment, maintenance, operation, construction, reconstruction, repair, improvement, or enlargement of any industrial, commercial, agricultural, or related enterprise, undertaking, or activity in the Virgin Islands whenever such loans are not available from private sources. All loans so made shall be of such sound value or so secured as reasonably to assure repayment, taking into consideration the policy of the Congress that the lending powers of the Corporation shall be administered as a means for accomplishing the purposes stated in section 1 of this Act, and shall bear interest at a rate not exceeding 6 per centum per annum. It shall be the general policy of the Corporation to establish interest rates on loans, subject to the foregoing limitations, that, in the judgment of the Board of Directors, will at least cover the interest cost of funds to the United States Treasury other expenses of the lending activities of the Corporation, and a risk factor which, over all, should provide for losses that may materialize on loans. The loans made under the authority of this paragraph outstanding at any one time shall not exceed a total of \$5,000,000.

"(h) To establish, maintain, operate, and engage in, upon its own account, any appropriate enterprise, undertaking, or activity for the development of the industrial, commercial, mining, agricultural, livestock, fishery, or forestry resources of the Virgin Islands: Provided, That the Corporation shall not engage in the manufacture of rum or other alcoholic beverages.

"Sec. 4. The Corporation shall have, and may exercise, the following general powers

in carrying on the activities specified in section 3 of this Act:

"(a) To have succession until June 30, 1959, unless sooner dissolved by Act of Congress.

"(b) To adopt, alter, and use a corporate seal, which shall be judicially noticed.

"(c) To adopt, amend, and repeal bylaws governing the conduct of its business, and the performance of the powers and duties granted to or imposed upon it by law.

"(d) To sue and to be sued in its corporate name.

"(e) To determine the character of and the necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid, subject to the laws applicable specifically to Government corporations.

"(f) To acquire, in any lawful manner, any property—real, personal, or mixed, tangible or intangible—to hold, maintain, use, and operate the same; and to sell, lease, or otherwise dispose of the same, whenever any of the foregoing transactions are deemed necessary or appropriate to the conduct of the activities authorized by this Act, and on such terms as may be prescribed by the Corporation.

"(g) To enter into and perform such contracts, leases, cooperative agreements, or other transactions with any agency or instrumentality of the United States, or with any State, Territory, or possession, or with any political subdivision thereof, or with any person, firm, association, or corporation, as may be deemed necessary or appropriate to the conduct of the activities authorized by this Act, and on such terms as may be prescribed by the Corporation: Provided, That in no case shall the Corporation contract to undertake an activity for any agency or instrumentality of the United States, or for any State, Territory, or possession, or for any political subdivision thereof, unless the latter is authorized by law to undertake such activity and furnishes the funds for such purpose.

"(h) To execute all instruments necessary or appropriate in the exercise of any of its functions.

"(i) To appoint, without regard to the provisions of the civil-service laws, such officers, agents, attorneys, and employees as may be necessary for the conduct of the business of the Corporation; to delegate to them such powers and to prescribe for them such duties as may be deemed appropriate by the Corporation; to fix and pay such compensation to them for their services as the Corporation may determine, without regard to the provisions of the classification laws except to the extent that these laws may be extended to the Corporation by the President of the United States; and to require bonds from such of them as the Corporation may designate, the premiums therefor to be paid by the Corporation. In the appointment of officials and the selection of employees for said Corporation, and in the promotion of any such officials or employees, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency. Any member of said board who is found by the President of the United States or his representative to be guilty of a violation of this section shall be removed from office by the President of the United States, and any appointee of said board who is found by the board to be guilty of a violation of this section shall be removed from office by said board. Persons employed by the Corporation shall not be included in making computations pursuant to the provisions of section 607 of the Federal Employees Pay Act of 1945, as amended. The Corporation shall give due consideration to residents of the Virgin Islands in the selection and promotion of its officers and employees.

"(j) To use the United States mails in the same manner and under the same conditions as the executive departments of the Federal Government.

"(k) To have, in the payment of debts out of bankrupt or insolvent estates, the priority of the United States.

"(l) To accept gifts or donations of services, or of property—real, personal, or mixed, tangible or intangible—in aid of any of the activities authorized by this Act.

"(m) To settle and adjust claims held by it against other persons or parties and by other persons or parties against the Corporation.

"(n) To take such actions as may be necessary or appropriate to carry out the powers and duties herein or hereafter specifically granted to or imposed upon it.

"Sec. 5. The Corporation in carrying on the activities authorized by this Act shall utilize, to the extent practicable, the available services and facilities of other agencies and instrumentalities of the Federal Government, or of the government of the Virgin Islands; and shall not engage in any undertaking which substantially duplicates an undertaking previously initiated and currently being prosecuted within the Virgin Islands by any such agency or instrumentality.

"Sec. 6. (a) The Corporation is authorized to obtain money from the Treasury of the United States, for use in the performance of the powers and duties granted to or imposed upon it by law, not to exceed a total of \$9,000,000 outstanding at any one time. For this purpose appropriations not to exceed \$9,000,000 are hereby authorized to be made to a revolving fund in the Treasury. Advances shall be made to the Corporation from the revolving fund when requested by the Corporation. Not to exceed a total of \$2,750,000 shall be appropriated under any authority contained in this Act for the period ending June 30, 1951, comprising the fiscal years 1950 and 1951.

"(b) As the Corporation repays the amounts thus obtained from the Treasury, the repayments shall be made to the revolving fund.

"Sec. 7. (a) The Corporation is hereby authorized to use its funds, from whatever source derived in the exercise of its corporate powers and functions: *Provided, however*, That the Corporation shall not undertake any new types of activities or major activities not included in the budget program submitted to the Congress pursuant to section 102 of the Government Corporation Control Act, except when authorized by legislation enacted by the Congress after said program is submitted, or except, when the Congress is not in session, upon finding made by the Corporation and approved by the President of the United States that an emergency exists which justifies the undertaking of new types of activities authorized by this act, but not included in the budget program. Such finding and emergency action shall be reported to the Congress by the President, and appropriations for the expenses of such emergency action are hereby authorized.

"(b) The Corporation shall pay into the Treasury as miscellaneous receipts interest on the advances from the Treasury provided for by section 6 (a) of this Act; on that part of the Government's investment represented by the value, at the time of transfer of the property and other assets transferred, less the liabilities assumed, pursuant to section 10 of this Act; and on the net value, as approved by the Director of the Bureau of the Budget, of any property and assets, the ownership of which hereafter may be transferred by the Government to the Corporation without cost, or for consideration clearly not commensurate with the value received. The Secretary of the Treasury shall determine the interest rate annually in advance, such rate to be calculated to reimburse the Treasury

for its cost, taking into consideration the current average interest rate which the Treasury pays upon its marketable obligations.

"(c) The Corporation shall after June 30, 1949, contribute to the civil-service retirement and disability fund, on the basis of annual billings as determined by the Civil Service Commission, for the Government's share of the cost of the civil-service retirement system applicable to the corporation's employees and their beneficiaries. The Corporation shall also after June 30, 1949, contribute to the Employees' Compensation Fund, on the basis of annual billings as determined by the Federal Security Administrator, for the benefit payments made from such fund on account of the Corporation's employees. The annual billings shall also include a statement of the fair portion of the cost of the administration of the respective funds, which shall be paid by the Corporation into the Treasury as miscellaneous receipts.

"Sec. 8. (a) Appropriations are hereby authorized for payment to the Corporation in the form of a grant, in such amounts as may be estimated in advance in the annual budget as necessary to cover losses to be sustained in the conduct of its activities which are included in the annual budget as predominantly revenue producing. The Corporation's annual budget program shall specifically set forth any loss sustained in excess of the grant previously made for the last completed fiscal year. Appropriations are hereby authorized for payment to the Corporation to cover such additional losses incurred.

"(b) Appropriations are also authorized for payment to the Corporation in the form of a grant, to be accounted for as general funds of the Corporation, in such amounts as may be necessary to meet expenses to be incurred for specific programs which are included in the annual budget as not predominantly of a revenue-producing character: *Provided, however*, That (1) in the case of activities of a predominantly non-revenue-producing character the expenses shall not exceed the amounts of the grants for these activities, and that (2) the funds granted under this subsection shall be expended only upon certification by a duly authorized certifying officer designated by the Corporation, and the responsibilities and liabilities of such certifying officer shall be fixed in the same manner as those of certifying officers under the act of December 29, 1941 (55 Stat. 875), as amended (31 U. S. C. 82b-g).

"(c) The Board of Directors shall have the power and duty to appraise at least annually its necessary working capital requirements and its reasonably foreseeable requirements for authorized plant replacement and expansion, and it shall pay into the Treasury of the United States any funds in excess thereof. Such payments shall be applied, first, to reduce the balance attributable to advances outstanding under section 6 (a) and, second, to the Government's investment represented by the value of the net assets transferred under section 10 of this Act and any subsequent similar investments by the Government in the Corporation.

"Sec. 9. The management of the Corporation shall be vested in a Board of Directors consisting of seven members, including the Secretary of the Interior, the Secretary of Agriculture, the Chairman of the Reconstruction Finance Corporation, the Governor of the Virgin Islands, and three experienced businessmen who shall be appointed by the President of the United States.

"The Board shall select its Chairman. The appointed directors shall serve for a period of six years, except that (1) any director appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term, and (2) the terms of office of the directors first taking office after the date of enactment

of this Act shall expire, as designated by the President at the time of appointment, one at the end of two years, one at the end of four years, and one at the end of six years, after the date of enactment of this Act. Qualifications of Board members shall include demonstrated ability, attachment to the public interest, impartiality, and diversified experience among its members. The Board shall be responsible for over-all policy making and general supervision. The Board shall meet at least quarterly, at least one of which meetings each year shall be held in the Virgin Islands. The Board of Directors shall act only by a majority vote of those present at a meeting attended by a quorum, and such quorum shall consist of four directors. Subject to the foregoing limitation, vacancies in the membership of the Board shall not affect its power to act. The directors shall receive no salary for their services on the Board, but under regulations and in amounts prescribed by the Board, with the approval of the President or his representative, may be paid by the Corporation reasonable per diem fees, and allowances in lieu of subsistence expenses, for attendance at meetings of the Board and for time spent on official service of the Corporation, and their necessary travel expenses to and from meetings or when upon such official service, without regard to the Travel Expense Act of 1949. The administrative functions shall be centered in a staff of full-time executive officers headed by a President appointed by the Board. The President shall be responsible to the Board for the execution of programs and policies adopted by the Board and for the day-to-day operations of the Corporation. Between meetings of the Board, the Chairman shall see that the Corporation faithfully executes the programs and policies adopted by the Board.

"Sec. 10. (a) There is hereby transferred to the Corporation the following property:

"(1) All property—real, personal, and mixed—now operated by the Virgin Islands Company on behalf of the United States, except the property now operated by that Company for the Department of the Interior which was conveyed to that Department by revocable permit from the Navy Department under agreement dated January 1, 1948. The value of the property so transferred shall be fixed at the depreciated cost as of June 30, 1947, shown in schedule 1 of the Comptroller General's report on the audit of the Virgin Islands Company for the fiscal year ended June 30, 1947, adjusted for all changes from that date to the date of transfer, including depreciation at the rates set forth in said schedule 1.

"(2) All the assets and property—real, personal and mixed, tangible and intangible—of the Virgin Islands Company. The value of the property so transferred shall be fixed at the value shown on the books of the Virgin Islands Company at the date of transfer, subject to any adjustment deemed necessary as a result of the audit required to be made by the Comptroller General under section 105 of the Government Corporation Control Act.

"(3) All of the interest of the United States in the property known as Bluebeard's Castle Hotel situated in the island of Saint Thomas in the Virgin Islands. The value of the property so transferred shall be fixed at a value approved by the Director of the Bureau of the Budget.

"(b) The Corporation shall assume and discharge all of the liabilities of the Virgin Islands Company: *Provided, however*, That such liabilities shall not be deemed to include the balances of relief grants held by the Virgin Islands Company which are invested in the assets and property embraced by paragraph (a) (2) of this section, and such balances shall become part of the investment of the United States in the Corporation.

"Sec. 11. The Secretary of the Interior, the Under Secretary of the Interior, and the Governor of the Virgin Islands, who are the stockholders of the Virgin Islands Company, a corporation created by ordinance of the Colonial Council for Saint Thomas and Saint John, Virgin Islands of the United States, are hereby authorized and directed to take such steps as may be appropriate to dissolve the said Virgin Islands Company.

"Sec. 12. Section 5 of the Act of May 26, 1936 (49 Stat. 1372, 1373; 48 U. S. C., 1946 edition, sec. 1401d), is hereby amended to read as follows:

"The Virgin Islands Corporation shall pay annually into the municipal treasuries of the Virgin Islands in lieu of taxes an amount equal to the amount of taxes which would be payable on the real property in the Virgin Islands owned by the Virgin Islands Corporation, if such real property were in private ownership and taxable, but the valuation placed upon such property for taxation purposes by the local taxing authorities shall be reduced to a reasonable amount by the designee of the President of the United States as provided in section 1 of the Virgin Islands Corporation Act if, after investigation, he finds that such valuation is excessive and unreasonable, and any such reduction in valuation, together with the findings on which it is based, shall not be reviewable by any court. The Virgin Islands Corporation shall also pay into the municipal treasuries of the Virgin Islands amounts equal to the amounts of any taxes of general application which a private corporation similarly situated would be required to pay into the said treasuries. Similar payments shall be made with respect to any property owned by the United States in the Virgin Islands which is used for ordinary business or commercial purposes, and the income derived from any property so used shall be available for making such payments: *Provided, however*, That the payments authorized by this section shall not include payments in lieu of income taxes, capital stock taxes, or franchise taxes."

"Sec. 13. Section 101 of the Government Corporation Control Act is hereby amended by striking out the words 'The Virgin Islands Company' and inserting in lieu thereof the words 'Virgin Islands Corporation'."

"Sec. 14. This act shall become effective on June 30, 1949."

"Sec. 15. This act may be cited as the 'Virgin Islands Corporation Act'."

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

J. HARDIN PETERSON,
MONROE M. REDDEN,
RICHARD J. WELCH,
FRED L. CRAWFORD,

Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
ROBT. S. KERR,
HUGH BUTLER,
GUY CORDON,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2989) to incorporate the Virgin Islands Corporation, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all after the enacting clause. The committee of conference recommends that the House recede from its disagreement to the Senate amendment and agree to the same with an amendment which is a substitute for both the House bill and the Senate amendment. Except as hereafter explained the conference substitute is substantially

identical with the bill as passed by the House.

The House bill (sec. 3 (h)) provided that no activity for the development of industrial, commercial, mining, agricultural, livestock, fishery, or forestry reserves of the Virgin Islands should be undertaken by the Corporation if such activity would be in substantial competition with any existing private enterprise. The House bill (sec. 5) also prohibited the Corporation from engaging in any activity which substantially duplicates an undertaking by any private corporation, partnership, or person. The conference agreement omits these provisions and inserts in lieu thereof a provision to the effect that no activity shall be undertaken by the Corporation unless it finds that such activity will further the purposes of the Act and will not conflict with the encouragement and promotion of private enterprise in the Virgin Islands.

The House bill (sec. 3 (g)) provided that all loans made by the Corporation should be "so secured as reasonably to assure repayment." The conference agreement modifies this provision so as to provide that such loans shall be "of such sound value or so secured as reasonably to assure repayment."

Under the House bill (sec. 4 (a)) the Corporation was given indefinite succession. The conference agreement provides that it shall have succession until June 30, 1959, unless sooner dissolved by act of Congress.

The House bill (sec. 6 (a)) authorized total appropriation not to exceed \$9,000,000 for the use of the Corporation, without restriction on the amount to be appropriated for any one fiscal year. The conference agreement continues the over-all authorization but provides that not to exceed \$2,750,000 shall be appropriated for the period consisting of the fiscal years 1950 and 1951.

The House bill (sec. 9) provided that the management of the Corporation should be vested in a Board of Directors consisting of seven members, including the Governor of the Virgin Islands, the head of a Government agency designated by the President to exercise general direction of the Corporation, and five other persons appointed by the President for terms of 5 years. The conference agreement provides that the Board of Directors shall consist of the Secretary of the Interior, the Secretary of Agriculture, the chairman of the Reconstruction Finance Corporation, the Governor of the Virgin Islands, and three experienced businessmen to be appointed by the President to serve for terms of 6 years.

The House bill (sec. 9) provided that the President of the Board should be elected by the Board from among its members. The conference agreement removes the requirement that the President be selected from the membership of the Board.

The Senate receded from its amendment to the title of the bill.

J. HARDIN PETERSON,
MONROE M. REDDEN,
RICHARD J. WELCH,
FRED L. CRAWFORD,

Managers on the Part of the House.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PETERSON. I yield.

Mr. MARTIN of Massachusetts. I understand from the reading of the statement that the greatest change is one providing a limitation on the amount involved.

Mr. PETERSON. A limitation on the appropriation and a limitation which requires that the loan be sound. They are more or less restrictions which really, in my opinion, strengthen the bill and safeguard the Government.

Mr. MARTIN of Massachusetts. I thank the gentleman.

Mr. PETERSON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to. A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include several newspaper articles.

Mr. BLATNIK asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in four instances and include extraneous matter.

Mr. DAVENPORT asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. BOYKIN asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. ADDONIZIO asked and was given permission to extend his remarks in the RECORD and include an editorial from the Trenton Evening Times.

Mr. LINEHAN (at the request of Mr. PRICE) was granted permission to extend his remarks in the RECORD.

THE TRAFFIC MANAGEMENT PROBLEM IN THE FEDERAL GOVERNMENT

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, in the course of consideration of the Federal Property and Administrative Services Act on the Senate side, there developed a question affecting in such an important way the problem of executive reorganization that I desire to discuss it briefly at this time. It is a problem with which we in this chamber are likely to become involved, as the work of the subcommittee on Executive and Legislative Reorganization, of which I am chairman, progresses.

I refer to the problem of traffic management, which is an important aspect of the whole procurement problem in the Federal Government. This is basically and fundamentally a problem of management; yet, although it has nothing whatsoever to do directly with the regulation of public utilities, members of the Committee on Interstate and Foreign Commerce in the Senate have seen fit, not merely to raise objection to certain provisions in the Federal Property and Administrative Services Act relating to traffic management, but to insist upon their deletion from this vitally important piece of legislation, as the price of their consent for consideration of the bill under unanimous consent.

This whole proceeding seems to me to have been based upon a total—or gross—misconception of the problems involved.

The regulatory aspects of the public utility problem are concerned with reasonableness of rates, adequacy of service, safety precautions, and other similar and related matters. It is with these aspects of the problem that the regulatory agencies are concerned, and with which, as their legislative counterparts, the Committees on Interstate and Foreign Commerce are concerned. With that, there can be no quarrel.

In the Federal Property and Administrative Services Act, however, the problem is fundamentally different. In this bill, we are concerned, not with the regulation of utilities, but with their use; not with the reasonableness of rates or the adequacy of service, but with the means by which, under existing rate structures and service schedules, the Government of the United States, as a major consumer of transportation services, can obtain the most efficient service at a minimum cost. This, I maintain, is a problem of management, of good administration, which has no more relation to the problems of utility regulation than has the purchase of the electric current which lights my home. Consequently, it is no concern of the Commerce committees, but under the provisions of the Legislative Reorganization Act of 1946, a direct responsibility of the Committees on Expenditures in the executive departments.

The distinction which I am now seeking to clarify and establish, so far as the procedures of this body are concerned, is nothing new. The Hoover Commission recognized and accepted it, as is abundantly clear from an examination of their reports. Their treatment of the regulatory problem and of the agencies concerned therewith, will be found in the commission's report on the regulatory agencies, while its consideration of the Government's use of the services of public utilities is found, as it should be, in the report on the Office of General Services, which deals with the supply activities of the Federal Government.

There are a number of reasons why I feel fully justified in directing your attention to this problem at this time. The first is the magnitude of the problem. The Federal Government spends approximately \$1,000,000,000 a year for transportation services; this amount, I am informed, constitutes in the neighborhood of 10 percent of the total receipts of the carriers. At the same time, it represents about 2½ percent of the total Federal expenditure, on the basis of an annual budget of \$40,000,000,000. This is clearly a large enough item to warrant careful attention, especially when one realizes that a fairly considerable part of this item for transportation is expended unnecessarily.

Extensive hearings on this general question, and with special reference to overcharges, were held by the House Expenditures Committee during the Eightieth Congress. The testimony showed that the amount of these overcharges for the transportation of persons as well as of property, runs annually into hundreds and hundreds of thousands of dollars. While no complete estimate of the total amount involved in

these overcharges has ever been compiled, spot checks disclose the fact that these losses must, in the aggregate, reach staggering proportions. For instance, the Comptroller General testified that in the reaudit of freight vouchers accounting for a total disbursement of \$14,716,970, there had been overpayments in the amount of \$2,671,796, representing a percentage loss of 18 plus. In the reaudit of passenger vouchers accounting for a total disbursement of \$12,428,176, there had been overpayments in the amount of \$359,543, representing a percentage loss of approximately .03. In this connection, it is obvious that the property transportation item is by far the more important.

The record over the years shows that the efforts of the Federal Government to deal with this situation have been feeble and hesitating. There is not, after all these years, any comprehensive legislation dealing with the subject; such efforts at control as have been carried on have been based primarily on Executive Order 6166 of June 10, 1933, and in part on fragmentary bits of legislation. When one takes into account the fact that the Treasury Department has never been given funds for the purpose sufficient to make possible the employment of an adequate staff, and that the Executive order under which it operates has often been interpreted in an unduly restrictive manner, it is small wonder that the serious losses here described have come to be a matter of regular occurrence.

The Expenditures Committee is determined to deal legislatively with this entire problem of property management and general services, in all of its various aspects. The field is one of enormous size and complexity. When this House passed the Federal Property and Administrative Services Act without a dissenting vote on June 8, approximately 2 weeks ago, we took a long and very significant step forward. This is an excellent beginning; by it, the House has laid the foundation for a system of economical and efficient housekeeping services for the Federal Government. Not all the tools necessary for doing the job have, however, been provided in this bill.

We propose to round out this legislation by the addition of successive titles dealing with such subjects as records management, traffic management, statistical services, and other matters. It is proposed also to maintain a careful and continuous scrutiny of the performance of the executive departments and agencies, under the provisions of this law as was the clear intention of the Congress when it passed the Legislative Reorganization Act of 1946. It is my hope that, by placing this information—a kind of progress report—before the Members of the House at this time, the Subcommittee on Executive and Legislative Reorganization may have your continued interest and support as it proceeds with this very important phase of the reorganization program.

EXTENSION OF REMARKS

Mr. HOLIFIELD asked and was given permission to extend his remarks in the Record and include therein an analysis of the Hoover Commission reports pre-

pared by the staff notwithstanding the fact that it exceeds the limit fixed by the Joint Committee on Printing and is estimated by the Public Printer to cost \$187.50.

Mr. MONRONEY asked and was given permission to extend his remarks in the Record and include a speech.

Mr. TAURIELLO asked and was given permission to extend his remarks in the Record and include a resolution adopted by the International Chiropractors' Association, together with some statistics on pending health legislation.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the Record in two instances; in one to include an editorial.

Mr. SHAFER asked and was given permission to extend his remarks in three instances.

Mrs. BOLTON. Mr. Speaker, being very much interested in the movement toward a national theater in the United States, I ask unanimous consent to place in the Record a very fine article written by our distinguished colleague from New York [Mr. JAVITS] from the magazine Tomorrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JAVITS asked and was given permission to extend his remarks in the Appendix of the Record in three instances and to include certain newspaper material.

Mr. JUDD asked and was given permission to extend his remarks in the Record in two instances; in one to include a recent remarkable address by a former colleague and at present delegate from the Philippines to the United Nations, Hon. Carlos Romulo; and in the other to include extraneous material.

UNEMPLOYMENT IN WESTERN PENNSYLVANIA

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I take this time to read to the House a memorandum which I received a few days ago, which calls attention to the seriousness of the unemployment situation in western Pennsylvania:

MEMORANDUM TO ALL CONGRESSMEN, WESTERN PENNSYLVANIA AND WEST VIRGINIA, FROM STANLEY L. LONEY, PRESIDENT, DISTRICT 6, UE-CIO

This week end a small delegation of unemployed workers from shops represented by the United Electrical, Radio and Machine Workers of America, will be in Washington. The purpose of the delegation is to discuss with various public officials and Congressmen the growing unemployment in America.

There have been numerous statements made by public officials to the effect that we are experiencing a healthy "readjustment," or a "shakedown," or that this is just a small "recession" and nothing to get worried about. But we in district 6 are extremely worried about the situation.

Today in UF district 6, which covers western Pennsylvania and West Virginia, we have approximately 15,000 UE members unem-

ployed. The major part of this unemployment has occurred since the first of the year. These unemployed workers are not "drifters," or high school students, or seasonal workers. They are men and women who must support themselves and their families. In some cases they have been working as long as 12 years in the plant, and have now been laid off with no prospect of getting their jobs back.

These are the figures for our district: 10,000 out of a total of 40,000 workers are laid off in Erie, Pa.—5,000 of these are UE members from the refrigerator division of the General Electric plant there. The other 5,000 are steel and other workers. In Pittsburgh at the big Westinghouse plant, the employment during the war was 23,000. After the war it dropped to 18,500 and remained at this figure until the first of this year. Now there are 14,500 employed in the plant, and there are some 4,000 people unemployed and unable to get jobs.

In Williamsport, Pa., out of a total of 15,000 workers in the town, 5,000 are unemployed—one third of the entire labor force! In Sharon, there are 1,000 UE members jobless, and many more steel workers; in Wilmerding and Swissvale at the Westinghouse Airbrake and Union Switch and Signal plants there are 1,500 unemployed out of 7,000 members of UE. The company has notified the union that 2,000 more will be laid off at the end of this month.

In smaller communities throughout our district we have additional hundreds of unemployed; 400 at Huntington, W. Va., plant; 400 at Fairmont, W. Va., Westinghouse plant; 200 in St. Mary's, Pa.; 140 Sylvania workers in Emporium with an expectation of 400 more to be laid off soon; the only other two industries in Emporium, a community of 5,000, are a leather plant and a cuticle-instrument plant. Both are shut down.

In the Pittsburgh area, where steel is the basic industry, the day-by-day reports are becoming more ominous as to the outlook for this industry. Up until a few months ago, this industry was working at 98 percent capacity. Now industry spokesmen estimate they will be working at 75 percent of capacity by the end of the year, and they are now working at only 83 percent capacity. All back orders will be wiped out by the end of June. Lay-offs have started in the steel industry with Carnegie-Illinois and Jones & Laughlin closing down furnaces, as well as Ludlum Steel, Crucible, and others.

It is easy enough to say that such lay-offs are a "readjustment." But the worker who is looking for a job and is trying to live on \$20 a week unemployment insurance does not feel well adjusted.

The district UE is not speaking of this problem academically. We are, at present, in day-to-day touch with unemployed workers. We know, for example, men who have five and seven children to support. These men have been forced to get relief to complement their unemployment insurance. They are not able to find a job, although they look for work every day. There is no hiring at any plant in Pittsburgh to our knowledge. There are no jobs at the Unemployment Compensation Bureau.

These are the problems. There is no question in our minds but that something must be done about it, and quickly.

We are informed that there is no legislation introduced for any actual over-all public works construction program to meet rising unemployment in distressed communities. There are two or three bills which aim in this direction, H. R. 3086 and S. 707, which provide \$50,000,000 for advance planning of public works. S. 281 and H. R. 1177 authorize a "capital development" fund of \$15,000,000, to be administered by the RFC for the purpose of full employment. Our union supports these bills as a step in the right direction. However, they are not nearly sufficient,

and we firmly believe that the Congress must take steps to authorize a full-fledged program to keep America at work.

The UE also supports strongly the extension of the veterans' 52-20, especially since at least half of the veterans have never used these benefits, and now is the time that they need them.

We believe, too, that our tax program must be revised to lift the tax burden from the low-income people and place it where it belongs, on the corporations and wealthy individuals. This will help stimulate purchasing power and provide the income for a public works program, housing, social security, etc.

I should appreciate hearing from you as to your reactions on the situation I have presented in this letter.

Yours very truly,

STANLEY L. LONEY, President.

FAIR LABOR STANDARDS ACT OF 1938

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 264) for printing in the RECORD:

Resolved, That immediately upon the adoption of this resolution the bill (H. R. 858) to clarify the overtime compensation provisions of the Fair Labor Standards Act of 1938, as amended, as applied in the long-shore, stevedoring, building, and construction industries, with Senate amendments thereto, be, and the same is hereby, taken from the Speaker's table to the end that the Senate amendments be, and the same are hereby, agreed to.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a letter addressed to the Speaker of the House by the President of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

(The letter is as follows:)

THE WHITE HOUSE,
Washington, June 17, 1949.

MY DEAR MR. SPEAKER: I am very pleased to learn that the House plans to take action on H. R. 4009, the Housing Act of 1949, at an early date. This means that we are close to success in the 5-year struggle to enact housing legislation that will strike at the core of the Nation's critical housing problem.

I have been shocked in recent days at the extraordinary propaganda campaign that has been unleashed against this bill by the real-estate lobby. I do not recall ever having witnessed a more deliberate campaign of misrepresentation and distortion against legislation of such crucial importance to the public welfare.

The propaganda of the real-estate lobby consistently misstates the explicit provisions of the bill, consistently misrepresents what will be the actual effect of the bill, and consistently distorts the facts of the housing situation in the country.

I know that most of the people engaged in the real-estate business and the home-building industry in this country are decent, respectable, honorable citizens. But there is a little group of ruthless men, claiming to speak for the members of these industries, who spend their time attempting to block progressive housing legislation. By letters, circulars, and

paid advertisements, they continue to spread their misstatements, hoping that people will eventually accept them as true.

I am extremely anxious that when the Members of the House vote on this important legislation they should be aware of the false and misleading nature of this propaganda. Consequently, I ask the privilege of calling to their attention some of the more flagrant claims of the real-estate lobby and the true facts concerning those claims.

1. The real-estate lobby claims that H. R. 4009 will cost the Federal Government \$20,000,000,000.

This is an exaggeration of approximately 100 percent. The actual cost of the bill will be about \$10,000,000,000, spread over a period of some 30 years.

The bill authorizes four programs—slum clearance, low-rent public housing, housing research, and aids to farm housing. Their respective costs are as follows:

(a) The slum-clearance program will authorize a total sum of \$500,000,000 in grants to localities to assist them in wiping out slums and blighted areas and redeveloping those areas in a sound and healthy manner. This sum would be the total out-of-pocket cost to the Federal Government, except for administrative expenses. The bill will also authorize a \$1,000,000,000 revolving fund for loans to localities. These loans will be for a maximum period of 40 years, and will bear interest at the going Federal rate—approximately 2½ percent. Since these loans are to be repaid, with interest, this sum does not, of course, represent a cost to the Government.

(b) The low-rent public-housing program in H. R. 4009 will authorize Federal assistance for the construction of 1,050,000 housing units. These units will be constructed by private builders under contracts let by local public-housing authorities, which are agencies of State and local government.

The construction cost will be financed through bonds issued by the local housing authorities and sold to private investors. The bill authorizes a revolving fund of \$1,500,000,000 for loans to these local housing authorities. It is expected that this authority will be used principally to support temporary financing of the projects during construction. Any loans so made are to be repaid to the Government with interest.

The major Federal assistance provided by the bill will be in the form of annual contributions to local housing authorities in amounts required to make up the difference between the rents which low-income families can afford to pay and the costs of operating and maintaining the projects and retiring their bonded indebtedness. The bill establishes maximum limits for such annual contributions, when all the construction has been completed, of \$400,000,000 per year for 40 years. In fact, however, experience with public-housing projects built under the United States Housing Act of 1937 has demonstrated that the actual contribution required on the average will be less than the maximum which must be authorized. A fair estimate of the annual contributions which will actually be

made is 75 to 80 percent of the maximum, or about \$300,000,000 to \$320,000,000 per year. Furthermore, annual contributions will probably be required only for 29 to 33 years, on the basis of the interest rates and amortization schedules expected for local authority bonds in the investment market.

The total cost to the Government of the low-rent housing program is therefore estimated at \$9,000,000,000 to \$10,000,000,000, plus administrative expenses, over a period of 29 to 33 years. Thereafter, the financial obligation of the Federal Government will cease, and the low-rent housing projects will continue in local ownership and operation.

(c) The housing research program authorized by the bill should not cost more than \$5,000,000 a year in the foreseeable future. The exact cost will be determined by the amount annually appropriated by the Congress. The objective of this program, of course, is to make possible reduced building costs and improved housing standards whose value will be many times the Federal expenditures involved.

(d) The farm housing program in H. R. 4009 will authorize a loan fund totaling \$250,000,000. Loans made under this authority, to finance the construction or improvement of farm housing and buildings, will be repaid, with interest. In addition, for farmers whose incomes are now insufficient to guarantee repayment of such loans, but whose farms can be made self-sustaining through a program of farm improvements, the bill authorizes the Secretary of Agriculture to meet part of the debt payments by making contributions for not more than 10 years and totaling not more than \$50,000,000. Furthermore, to assure a minimum standard of decency for farmers on submarginal farms, which cannot be made self-sustaining, the bill authorizes \$12,500,000 in grants to finance minimum repairs to farm houses and buildings. Thus, the actual cost to the Federal Government of this farm housing program, except for administrative expenses, is expected to be not more than \$62,500,000 over a period of some 10 to 15 years.

These facts demonstrate the inaccuracy of the real-estate lobby's propaganda. In order to reach their estimate of total cost, they assumed the maximum possible annual Federal contributions for low-rent housing (which will not occur), they counted Federal loans as costs (when in fact they are to be repaid, with interest)—and on top of that they added a few hundred million fictitious dollars for which the bill offers no shred of support. This is a shocking example of an attempt to deceive the public and to stampede Members of Congress. I am confident that the House will not be misled by such tactics.

The real issue involved in this bill is whether the Federal Government should provide practical, workable and carefully limited assistance in improving the standard of housing of the American people and relieving the conditions of slum housing in which too many of our families are now forced to live. Of course this will cost money—and the facts on the cost are stated above.

When the actual costs are balanced against the potential benefits to the welfare—and indeed the national security—of our people, I believe there can be only one answer—to enact this legislation. Apparently the real-estate lobby is of the same opinion, since it refuses to debate the bill on its merits, but instead is resorting to false propaganda.

2. The real-estate lobby claims that each low-rent public-housing unit will cost more than \$15,000.

The facts are that the amount of money provided in H. R. 4009 to build 1,050,000 dwelling units will permit an average cost, at the most, of \$8,465.

The plain language of the bill requires the utmost economy and simplicity in construction standards consistent with providing decent and durable housing. Naturally, the construction costs will vary among different parts of the country, and the bill provides a normal ceiling of \$1,750 per room. In most parts of the country this amount will be sufficient, but in order to permit construction in a few of the high-cost areas, where the need is equally great, the bill permits a maximum cost per room of up to \$2,500.

The real-estate lobby seized this upper limit figure, multiplied it by five rooms, and added \$2,500 for land and utilities, in arriving at its claim that all the units built would cost \$15,000. Even at today's construction costs—and costs are dropping—few housing projects, if any, even in the highest cost areas, will require an expenditure of this amount per unit. Over most of the country the figure is utterly absurd. A representative group of the private contractors who had built housing projects under the 1937 act were asked early this year what the current cost of duplicating those projects would be. Their replies ranged from less than \$1,250 per room to \$2,250 per room, and two-thirds were below \$1,750 per room.

There is no foundation, therefore, either in the bill or in the current costs of building, for this charge by the real-estate lobby.

3. The real-estate lobby claims that there is no longer any pretense that public housing is for the poor.

The facts are that H. R. 4009 requires local public-housing authorities to give preference for admission to public-housing projects to low-income families having the most urgent housing needs. Furthermore, the bill requires the local authorities to establish upper-income limits for admission to public-housing projects—income limits calculated to admit only families whose incomes are at least 20 percent below the income needed to pay rents charged in that locality for adequate private housing, whether new or old. These income limits will vary among different localities; at the present time five-sixths of the local housing authorities have maximum limits of \$2,200 or less.

Thus only families of low income can be admitted to public-housing projects.

Furthermore, the bill requires local public housing authorities to reexamine tenants' incomes each year, to adjust rents upward where appropriate, and to require families to move whose incomes

have risen to a point where they can afford adequate private housing, so that additional low-income families can be admitted to the project.

Actual experience in the present low-rent public-housing projects, built under the 1937 act, demonstrates that the bill will work in practice the way it is intended. In the first half of 1948, the average income of the families admitted to the present low-rent projects was \$1,480. The average family income of all tenants in these projects who were eligible to remain was \$1,590. These figures are well below the average of the lowest one-third of city and town family incomes.

Under these circumstances, it is obvious that "the poor," as the real-estate lobby calls them, are precisely those who will benefit from public housing.

In recent years a number of families have been permitted to stay in public-housing projects even though their incomes rose above the upper limit. This was done in some cases in order to provide housing for war workers, in other cases because of the acute housing shortage since the war. As a matter of fact, an act of Congress was in effect from July 1947 until August 1948, prohibiting eviction of such families where hardship would result. Since last August, many of these families with over-limit incomes have been moved out, and by the end of this year, all ineligible families will have received notices to vacate.

The false claim that public housing will not benefit low-income families demonstrates the unpleasant dog-in-the-manger attitude of the members of the real-estate lobby. They know that the private-housing industry is not supplying, and cannot in the foreseeable future supply, adequate housing for low-income families. They know that H. R. 4009 specifically provides that public housing will be provided only for those with incomes at least 20 percent less than that needed to afford private housing. Knowing all this, they assert a plain falsehood in their effort to prevent us from doing what is necessary to provide housing for low-income families. I am glad to know that more and more members of the building industry are repudiating the blind and selfish dictation of the real-estate lobby.

4. The real-estate lobby claims that public housing will not be used to clear slums, but will be built in areas where it can compete with private housing.

This claim is an excellent example of distortion of facts to confuse the people. I have already pointed out the provisions of the bill which insure that public housing will not compete with decent private housing, no matter where it is built. It will, of course, compete with slum housing—that is its purpose.

As to the claim that public housing will not be used to clear slums, the facts are as follows:

H. R. 4009 will authorize the first direct large-scale attack on slum areas we have ever had in this country. It provides a practical, realistic method for clearing blighted areas in cities and towns throughout the country.

When those slums are cleared away, it may be best to build public housing where

they have been; it may be best to build private housing there; it may even be best not to build anything there, but to use the land for parks. In any event, the local community will decide what shall be done in each case.

The purpose of the public-housing provisions of the bill is to provide adequate housing for low-income families who are now forced to live in substandard quarters. Whether a public-housing project is built in an area where slums have been cleared away or elsewhere in the city or town, families who lived in cleared slums have a first priority for admission to the project, provided they meet the income standard.

Thus, the bill does provide for slum clearance, and it does provide for public housing. But it does not, and should not, compel local housing authorities to erect public-housing projects in every case exactly where the old slums were. To do so would obviously be ridiculous.

5. The real-estate lobby claims that the wishes of a local community will not be consulted but Government housing will be imposed.

Nothing could be further from the truth. No slum-clearance or public-housing project can be initiated under the bill by anyone but a local agency, established under State and local law by the people of the local community. Before the local agency can request Federal assistance, its proposals and plans must be specifically approved by the local city council or other governing body. The members of the local boards responsible for making plans, awarding contracts, supervising clearance or construction work, and operating the housing projects, are appointed not by Federal officials but by the mayors or governing bodies of the local municipality. The role of the Federal Government is very carefully restricted by this bill to furnishing technical advice and financial assistance, and assuring that the requirements of the law as written are faithfully observed.

The real-estate lobby wants people to forget that for the past 10 years we have had public housing projects of exactly this nature, in communities all over this country. The unpaid, public-spirited men and women who head the local housing authorities have been drawn from local business, professional, labor, and farm groups—including, in many cases, members of the real estate and building industries. These men and women have been the first to testify that local wishes have been respected and local rights safeguarded.

This claim by the real-estate lobby is an obviously false attempt to conjure up the specter of Federal domination, which is completely refuted by the plain language of the bill and by 10 years of practical experience.

6. The real-estate lobby, which last year cried that we should not construct new public-housing projects because private builders were building everything that was needed, this year is arguing that we should not construct public-housing projects on the claim that there is no longer any need for them.

Both claims are fallacious. Neither last year nor this year have private

builders been producing houses to meet the needs of the low-income families who will be served by this bill. The average rent of private rental projects insured by the Federal Housing Administration in 1948 was \$87.50 per month. This rent is clearly beyond the means of a family with an annual income of less than \$4,000. Practically no private rental projects have been constructed to rent for as little as \$60 a month—a rental which can be assumed, though with difficulty, by a family with an annual income of \$3,000.

Two conclusions are inescapable. First, low-income families cannot afford the housing that is being built. Second, it should occasion no surprise that the private building market for higher-priced housing is tapering off—it is easy to saturate the market for housing in this country at monthly charges of \$87.50 or more. This is happening now, even though the housing needs of millions of low-income and middle-income families remain unmet.

This claim by the real-estate lobby is clear proof that many members of the private building industry are still looking backward to the days when the housing industry went through violent fluctuations—building as fast as possible for several years, then building hardly anything for several years. Those fluctuations contributed greatly to the boom-and-bust cycle of the twenties and early thirties.

Instead of trying to go back to those days, the private building interests should be doing everything they can to bring about a steady flow of home building and a steady improvement of housing standards, which will contribute to the steady growth of our economy. H. R. 4009 will help strongly to bring about the steadier rate of home building that is so badly needed. Instead of wasting their energies trying to block the bill, the spokesmen for the private building industry should be searching out ways to reach the great demand for housing among families of middle income for whom adequate homes are not being built now and who will not be aided by low-rent public housing. If they would do this, they would find a tremendous and profitable market.

7. The real-estate lobby even attempts to twist the local tax features of the low-rent housing provisions of H. R. 4009 into an argument against the bill.

From the beginning of public-housing projects in this country, local governments have been required to make a contribution equal to 20 percent of the Federal contributions. Cities and towns uniformly have chosen to make this contribution in the form of exemptions from real- and personal-property taxes. H. R. 4009 simply writes this practice into law, unless the locality is legally barred from doing so, in which case the local contribution may be made in cash.

In order that the public-housing projects shall bear a fair share of the cost of municipal services, such as schools, streets, and so on, H. R. 4009 authorizes payments in lieu of taxes equal to 10 percent of the rental income of the project.

These are sensible and time-tested arrangements for achieving a reasonable

and proper local participation in the cost of the projects. The payments in lieu of taxes will not, and should not, be equivalent to full local taxes. The local government should make some contribution to the subsidy needed to achieve low rents. To contribute through tax exemption is the best means that has been found.

It is noteworthy that municipal officials do not oppose this tax exemption—in fact, they strongly support it. It can only be concluded that the people who know most about the financial needs of our cities and towns, and who are honestly concerned with keeping their fiscal affairs on a sound basis, understand that the benefits to be obtained by the cities and towns from the provision of decent low-rent housing under this bill are far greater than any costs which they will incur through tax exemptions or otherwise.

8. The real-estate lobby claims that to provide adequate housing for low-income families will encourage indolence and shiftlessness and destroy thrift and initiative.

This is the hoary old chestnut that has been used as an argument against proposals to advance the public welfare ever since the Nation was founded. It was used against public education a hundred years ago. It was used against minimum wage laws 50 years ago. Apparently the real-estate lobby thinks it still has some propaganda value, even though it has been disproved time and time again.

The plain fact is that thrift, industry, and initiative are encouraged, not discouraged, by clean and decent housing. It is among people who are forced to live in firetraps, in crowded tenements, in alley dwellings, that are found the highest rates of poor health, poor education, juvenile delinquency, and the other disabilities that sap energy and initiative, and result in heavy costs to the community. The provision of adequate housing for the people to be aided by this bill will be a long step forward toward a happier, more thrifty and industrious people in our Nation.

9. The most loudly proclaimed propaganda argument of the real estate lobby against this bill is the claim that it is socialistic.

Insofar as this argument is intended seriously, it is false. H. R. 4009 will strengthen, not weaken, private enterprise. Private builders, operating under contracts, will construct all of the housing projects to be built under the bill. The requirement for a 20-percent gap between the upper rental income limits for admission to public-housing projects and the lowest rents at which adequate private housing is being provided, new or old, for rent or for sale, assures that there will be no competition between public housing and private enterprise. The local public housing authorities will sell their bonds on the private investment market. Under the farm-housing program, loans would be made only to those farmers who are unable to secure credit from private sources on terms they can afford to pay. The research program authorized in the bill

is specifically designed to enable the private housing industry to serve a much broader market through improved methods and lower costs.

I am sure, however, that this argument by the members of the real-estate lobby is not meant seriously. They know better. And so do the many individuals and organizations who have studied the facts of the matter and concluded that the bill is desirable. The 24 Republican and 33 Democratic Members of the Senate who voted for a comparable bill did not believe the charge of socialism. The many distinguished newspapers throughout the country who support the bill do not believe it is socialistic. The American Legion, the Veterans of Foreign Wars, the American Veterans of World War II, the American Veterans' Committee, the Disabled American Veterans, the Jewish War Veterans, the Catholic War Veterans—all of them have seen through the charge of socialism and support the bill. So do the American Municipal Association and the United States Conference of Mayors. The American Federation of Labor and the Congress of Industrial Organizations support the bill. So do the National Conference of Catholic Charities and the Congregational Christian Churches. So do the League of Women Voters, the National Council of Negro Women, the National Council of Catholic Women and the National Council of Jewish Women. So do the National Grange and the National Farmers Union. And so do the many other outstanding organizations and individuals who have testified that this legislation is necessary in the public interest.

Yet the real-estate lobby, shortsighted and utterly selfish, continues to cry "socialism" in a last effort to smother the real facts and real issues which this bill is designed to meet.

These attempts to mislead and frighten the people and their representatives in the Congress—these false claims designed to prejudice some groups of people against others—these malicious and willful appeals to ignorance and selfishness—are examples of selfish propaganda at its worst.

But I do not believe the people of our country, nor their representatives in the Congress, will permit themselves to be deceived. The facts speak for themselves. The people know that the country needs a full-scale program to provide decent housing for low-income families, to eliminate slums, and to improve housing standards for the great bulk of the people.

This bill presents such a program—a practical and tested program. It is not, as some would have you believe, some new and foreign program to be fastened upon the backs of our people against their will. A similar program was authorized under the United States Housing Act of 1937. That program was carried out successfully and was widely accepted by the people. Projects were built in 268 cities and towns, located in 37 States, the District of Columbia, Puerto Rico, the Virgin Islands and Hawaii. Some of these projects were, of course, located in the largest cities, since the need there was serious. But projects

were also built in such cities and towns as Lakeland, Fla.; Peoria, Ill.; Holyoke, Mass.; Portland, Oreg.; Knoxville, Tenn.; and Brownsville, Tex., where the need was also serious. Of the 268 cities and towns in which public-housing projects were built, 104—39 percent—had less than 25,000 population in 1940.

When the war ended, applications for public-housing projects were received from 357 towns and cities, in 37 States, even though the existing authorization for Federal assistance was exhausted. At present, 42 States have enacted legislation providing for the establishment of local housing authorities. More than 470 such authorities have been established. They are waiting for the enactment of this bill.

It is dramatically apparent from the vast public support for H. R. 4009 that the people know that this bill is a part of the long-range effort we must make to build toward a stronger economy, an increasing prosperity, and a happier and more secure citizenry in the United States.

I feel confident that the enactment of this legislation will greatly promote the general welfare. It will also prove of real benefit to those real-estate interests that now oppose its enactment. To strengthen the whole fabric of our American society is to strengthen all its several parts.

Very sincerely yours,

HARRY TRUMAN.

Hon. SAM RAYBURN,
Speaker of the House of Representatives.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. KEARNS (at the request of Mr. GRAHAM) indefinitely, on account of serious illness in his immediate family.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 263. An act to authorize the Secretary of the Navy to grant to the county of Orange, Calif., a perpetual easement for the maintenance and operation of a public highway, and to grant to the Irvine Co., a corporation, a perpetual easement for the maintenance, operation, and use of a water pipe line, in the vicinity of the naval air base, Santa Ana, Orange County, Calif.;

H. R. 593. An act for the relief of Hampton Institute;

H. R. 650. An act for the relief of George A. Kirchberger;

H. R. 716. An act for the relief of Mark H. Potter;

H. R. 717. An act for the relief of Groover O'Connell;

H. R. 735. An act for the relief of Phil H. Hubbard;

H. R. 1123. An act for the relief of Mrs. Florence Mayfield;

H. R. 1771. An act relating to loans by Federal agencies for the construction of certain public works;

H. R. 1837. An act to amend the Nationality Act of 1940;

H. R. 1858. An act for the relief of the legal guardian of John Waipa Wilson;

H. R. 1981. An act for the relief of V. O. McMillan and the legal guardian of Carolyn McMillan;

H. R. 2078. An act for the relief of Winston A. Brownlie;

H. R. 2353. An act for the relief of Joel W. Atkinson;

H. R. 3311. An act for the relief of Carmen Morales, Aida Morales, and Lydia Cortes;

H. R. 3324. An act for the relief of the estate of the late Anastacio Acosta, and the estate of Domingo Acosta Arizmendi;

H. R. 3444. An act to provide for the collection and publication of cotton statistics;

H. R. 3603. An act for the relief of Michael Palazotta;

H. R. 3992. An act for the relief of J. L. Hitt;

H. R. 4332. An act to amend the National Bank Act and the Bretton Woods Agreements Act, and for other purposes;

H. R. 4392. An act to provide for the payment of compensation to the Swiss Government for losses and damages inflicted on Swiss territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor;

H. R. 4516. An act to amend section 312 of the Officer Personnel Act of 1947, as amended, so as to provide for the retention of certain officers of the Medical and Dental Corps of the Navy;

H. R. 4578. An act to authorize certain Government printing, binding, and blank-book work elsewhere than at the Government Printing Office if approved by the Joint Committee on Printing; and

H. J. Res. 276. Joint resolution granting certain extensions of time for tax purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1794. An act to repeal certain obsolete provisions of law relating to the naval service.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 37 minutes p. m.) the House adjourned until tomorrow, Friday, June 24, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

710. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1950 in the amount of \$50,000 for the Commission on Renovation of the Executive Mansion (H. Doc. No. 237); to the Committee on Appropriations and ordered to be printed.

711. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to discontinue quarterly reports to the Congress under the Contract Settlement Act of 1944"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KERR: Committee on Appropriations. H. R. 5300. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes; without amendment (Rept. No. 879). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITAKER: Committee on Post Office and Civil Service. H. R. 3383. A bill to

amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945; with an amendment (Rept. No. 883). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOGARTY: Committee of conference. H. R. 3333. A bill making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies (Rept. No. 892). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 237. Resolution providing for expenses of conducting studies and investigations authorized by House Resolution 206; without amendment (Rept. No. 893). Referred to the House Calendar.

Mrs. NORTON: Committee on House Administration. House Resolution 210. Resolution to provide funds for the expenses of the studies and investigations authorized by House Resolution 112; with an amendment (Rept. No. 894). Referred to the House Calendar.

Mrs. NORTON: Committee on House Administration. House Resolution 233. Resolution authorizing expenses of conducting investigation of certain matters pertaining to the merchant marine and fisheries of the United States; with an amendment (Rept. No. 895). Referred to the House Calendar.

Mrs. NORTON: Committee on House Administration. H. R. 2290. A bill to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing paleontological investigations in areas which will be flooded by the construction of Government dams; with an amendment (Rept. No. 896). Referred to the Committee of the Whole House on the State of the Union.

Mrs. NORTON: Committee on House Administration. House Joint Resolution 240. Joint resolution authorizing the erection in the District of Columbia of a statue of Simon Bolivar; with an amendment (Rept. No. 897). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 264. Resolution for consideration of H. R. 858, a bill to clarify the overtime compensation provisions of the Fair Labor Standards Act of 1938, as amended; without amendment (Rept. No. 898). Referred to the House Calendar.

Mr. WHITTEN: Committee of conference. H. R. 3997. A bill making appropriations for the Department of Agriculture (Rept. No. 889). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XXII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JENNINGS: Committee on the Judiciary. H. R. 2344. A bill for the relief of Charles W. Miles; with an amendment (Rept. No. 880). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 2608. A bill for the relief of C. H. Dutton Co., of Kalamazoo, Mich.; without amendment (Rept. No. 881). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 3618. A bill for the relief of the estate of Mrs. Frances M. Carroll, deceased, and Charles P. Carroll; with an amendment (Rept. No. 882). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 113. An act for the relief of Helen Louise Oles; without amendment (Rept. No. 884). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 275. An act for the relief of Arthur C. Jones; without amendment (Rept. No. 885). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 322. An act for the relief of Mrs. Gertrude H. Westaway, legal guardian of Bobby Niles Johnson, a minor; without amendment (Rept. No. 886). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 623. An act for the relief of George Krinopolis; without amendment (Rept. No. 887). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 1138. An act for the relief of John W. Crumpacker, commander, United States Navy; without amendment (Rept. No. 888). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 1167. An act for the relief of the estate of Marion Miller; without amendment (Rept. No. 889). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 1266. An act for the relief of Hayward O. Brandon; without amendment (Rept. No. 890). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 1296. An act for the relief of Murphy & Wischmeyer; without amendment (Rept. No. 891). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. KERR:

H. R. 5300. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes; to the Committee on Appropriations.

By Mr. CELLER:

H. R. 5301. A bill to amend title 28, United States Code; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 5302. A bill to require United States Civil Service Commission to establish regional office for State of Michigan at Detroit, Mich.; to the Committee on Post Office and Civil Service.

By Mr. WOODRUFF:

H. R. 5303. A bill to amend section 2000 (c) (2) of the Internal Revenue Code relating to taxes on tobacco and tobacco products; to the Committee on Ways and Means.

H. R. 5304. A bill to amend section 2000 (a) (2) of the Internal Revenue Code relating to taxes on tobacco and tobacco products; to the Committee on Ways and Means.

By Mr. BONNER:

H. R. 5305. A bill to increase the retired pay of certain members of the former Lighthouse Service; to the Committee on Merchant Marine and Fisheries.

By Mr. CROSSER:

H. R. 5306. A bill to amend section 12 of the Natural Gas Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. JACKSON of Washington:

H. R. 5307. A bill to provide for conveyance of certain real property to Skagit County, Wash.; to the Committee on Agriculture.

By Mr. LEMKE:

H. R. 5308. A bill to prohibit Members of Congress from serving the United States in any other capacity; to the Committee on the Judiciary.

H. R. 5309. A bill to include consequential damages as part of just compensation in taking private farm property for public use; to the Committee on the Judiciary.

By Mr. PHILLIPS of California:

H. R. 5310. A bill to confer jurisdiction on the State of California over the lands and residents of the Agua Caliente Indian Reservation in said State, and for other purposes; to the Committee on Public Lands.

By Mr. WHEELER:

H. R. 5311. A bill to establish a procedure by which the Administrator of Veterans' Affairs may bring charges against educational institutions and by which procedure the educational institutions may answer such charges before an impartial agency, and to authorize the Veterans' Administration to reimburse State approval agencies for expenses incurred by them in ascertaining the qualifications of educational institutions for furnishing training to veterans and for expenses incurred in supervising educational institutions offering such training; to the Committee on Veterans' Affairs.

By Mr. ALLEN of Louisiana:

H. R. 5312. A bill to amend the Mineral Leasing Act for Acquired Lands (61 Stat. 913) to provide for competitive bidding on oil and gas leases issued thereunder where a competitive interest in leasing is evident; to the Committee on Public Lands.

By Mr. DEANE:

H. R. 5313. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. VINSON:

H. R. 5314. A bill to repeal section 205 of title II of the Foreign Aid Appropriation Act, 1949, and for other purposes; to the Committee on Armed Services.

By Mr. WHITE of Idaho:

H. R. 5315. A bill to advance knowledge on the history and culture of the American Indian through the acquisition and preservation of irreplaceable artifacts and relics; to the Committee on Public Lands.

By Mr. DURHAM (by request):

H. R. 5316. A bill to authorize the Commissioners of the District of Columbia to enter into contract for the removal of sludge; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FRAZIER:

H. R. 5317. A bill for the relief of W. Garland Lillard; to the Committee on the Judiciary.

By Mr. JOHNSON:

H. R. 5318. A bill for the relief of Yvon R. Heldenbergh; to the Committee on the Judiciary.

By Mrs. NORTON:

H. R. 5319. A bill granting a renewal of patent No. 40,029, relating to the badge of the Holy Name Society; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1137. By Mr. JUDD: Petition in support of the Bryson bill, H. R. 2428, and a Senate counterpart of that measure; to the Committee on Interstate and Foreign Commerce.

1138. By the SPEAKER: Petition of American Academy of General Practice, Kansas City, Mo., against any form of compulsory Federal health insurance; to the Committee on Interstate and Foreign Commerce.

1139. Also, petition of Emmett Arthur Hinkelman, Chicago, Ill., urging legislation to allow the sending of educational books and magazines postage free to students, institutions of learning, and public libraries in the Marshall-plan countries; to the Committee on Post Office and Civil Service.

1140. Also, petition of William H. Elliott and others, San Francisco, Calif., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1141. Also, petition of Mabel Mattly and others, Stockton, Calif., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1142. Also, petition of P. F. Wichmann and others, La Fayette, Ind., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1143. Also, petition of Lon Donnell and others, Hutchinson, Kans., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1144. Also, petition of Mrs. Mary Smith and others, Milwaukee, Wis., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1145. Also, petition of Josephine Heverling and others, Seattle, Wash., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1146. Also, petition of Mrs. Mildred Cole and others, Tacoma, Wash., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1147. Also, petition of Mrs. E. O. Johnson and others, Cassadaga, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1148. Also, petition of Mrs. Dorothea Graves and others, Orlando, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1149. Also, petition of Mrs. Ella Zeigler and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

FRIDAY, JUNE 24, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, hushing our thoughts to stillness, we would school our spirits in sincerity and truth as we wait before Thee, who knowest the secrets of our hearts. In a world of suspense and suspicion and turmoil, breathe now in this quiet moment Thy peace on hearts that pray—the peace that comes only when our jarring discords are tuned to the music of Thy will.

Then, as heralds of good will, send us forth across all the barriers of race and creed, to make our contribution to the

glad day when justice and understanding shall engirdle this worn and weary earth.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 23, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 23, 1949, the President had approved and signed the joint resolution (S. J. Res. 55) to print the monthly publication entitled "Economic Indicators."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 2290. An act to provide for cooperation by the Smithsonian Institution with State, education, and scientific organizations in the United States for continuing paleontological investigations in areas which will be flooded by the construction of Government dams;

H. R. 5240. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products; and

H. J. Res. 240. Joint resolution authorizing the erection in the District of Columbia of a statue of Simon Bolivar.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hoey	Miller
Anderson	Holland	Morse
Baldwin	Humphrey	Mundt
Brewster	Hunt	Murray
Bricker	Ives	Myers
Bridges	Jenner	Neely
Butler	Johnson, Colo.	Pepper
Capehart	Johnson, Tex.	Reed
Chapman	Johnston, S. C.	Robertson
Chavez	Kefauver	Russell
Connally	Kerr	Schoeppel
Cordon	Kilgore	Smith, Maine
Donnell	Knowland	Sparkman
Douglas	Langer	Taft
Downey	Lucas	Taylor
Eastland	McCarran	Thomas, Utah
Ferguson	McCarthy	Thye
Flanders	McClellan	Tydings
Fulbright	McFarland	Watkins
George	McGrath	Wiley
Gillette	McKellar	Williams
Graham	Magnuson	Withers
Green	Martin	Young
Hayden	Maybank	
Hendrickson		

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Delaware [Mr. FREAR], the Senator from Alabama [Mr. HILL], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Oklahoma [Mr. THOMAS] are absent on

official business in meetings of committees of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly, meeting at Rome, Italy.

The Senator from Connecticut [Mr. McMAHON] is absent on official business, presiding at a meeting of the Joint Committee on Atomic Energy in connection with an investigation of the affairs of the Atomic Energy Commission.

The Senator from Maryland [Mr. O'CONNOR] is absent on official business, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from Mississippi [Mr. STENNIS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. TAFT. I announce that the Senator from Montana [Mr. ECTON], the Senator from Nevada [Mr. MALONE], and the Senator from New Hampshire [Mr. TOBEY] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from South Dakota [Mr. GURNEY], and the Senator from Massachusetts [Mr. LODGE] are detained on official business.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Michigan [Mr. VANDENBERG] are in attendance at a meeting of the Joint Committee on Atomic Energy.

By order of the Senate, the following announcement is made:

The members of the Joint Committee on Atomic Energy are in attendance at a meeting of the said committee in connection with an investigation of the affairs of the Atomic Energy Commission.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Members of the Senate be permitted to introduce bills and joint resolutions, and present for the RECORD petitions and memorials and other routine matters, without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Dis-